

**2007
Annual
Report**



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A Message from the Mayor



I am pleased to present the City's 2007 Annual Report.

It seems each of the last several years has been busier than the previous one ... that's because it has actually been that way.

The year 2007 saw significant interest in Cranbrook and a resulting increase in activity in our City's planning and engineering departments, which has had an effect on each of the other City departments.

As I write this, the completion of the air terminal building at the Canadian Rockies International Airport is approaching. Completion of the arrivals and departures areas has taken place, leaving the renovation of the original airport terminal building (20% of the project) as the last area of construction.

The airport's air marketing committee has been working on broadening our opportunities with the expectation that a new service provider to the south will be finalized shortly.

New development lands to the northwest were incorporated into our boundary in October 2007 and plans for significant expansion opportunities are being pursued on our eastern boundary.

With the world's discovery of Cranbrook, it behooves us to grasp the opportunity of expansion, and manage the development that will inevitably come with it, in a fashion that our residents deserve.

The BC economy remains strong. Cranbrook has made itself known to the provincial government in Victoria and has become the economic, as well as the geographic, centre of the southeast corner of our great province.

For those reading this report from afar, we encourage you to take a closer look at Cranbrook we're sure you'll be happy you did.

Ross Priest,
Mayor

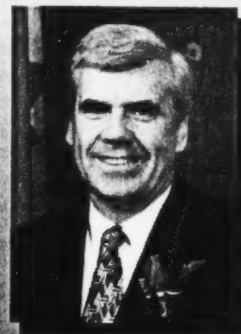
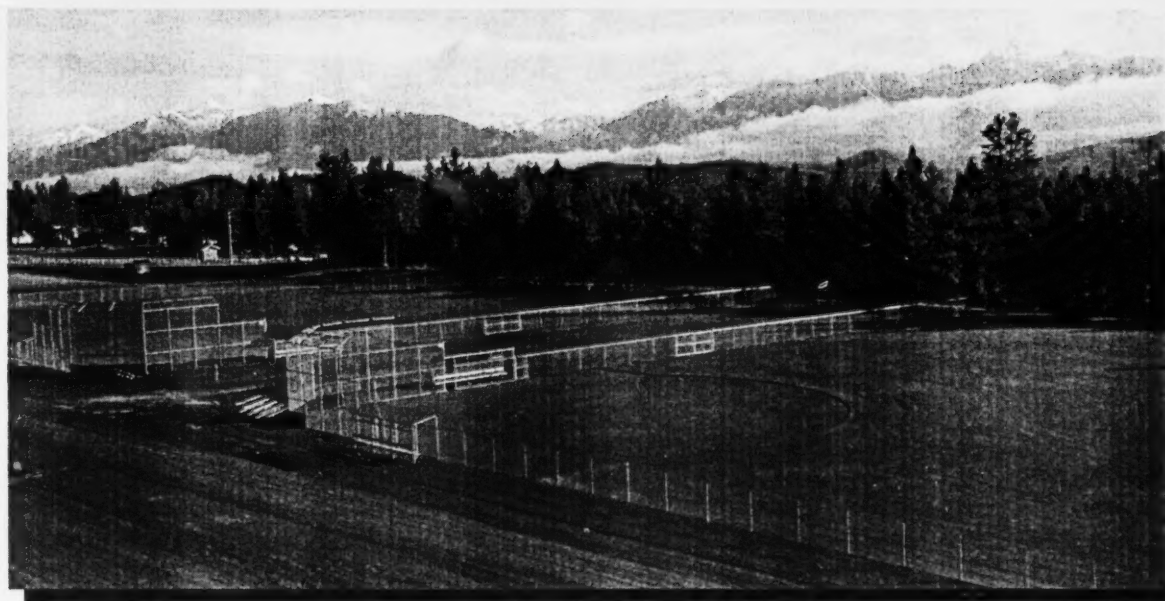


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2007 Cranbrook City Council



From left to right: Councillor Scott Manjak, Councillor Liz Schatschneider, Councillor Jim Wavrecan, Mayor Ross Priest, Councillor Alan Gordon, Councillor Bruce Mollison, Councillor Angus Davis

Previous Mayors of the City of Cranbrook

1905-1906	G.T. Rogers	1923	W.F. Cameron
1907	James Finley	1924	A.J. Balment
1908-1910	J.P. Fink	1925-1940	T.M. Roberts
1911	P. Devere Hunt	1941-1946	A.J. Balment
1912-1913	A.C. Bowness	1947-1961	R.E. Sang
1914	S. Taylor	1962-1969	G.W. Haddad
1915	A.C. Bowness	1970-1973	M.G. Klinkhamer
1919	W.F. Cameron	1984-1990	R.B. Jensen
1920-1922	J.A. Genest	1990-1999	M.F. Patterson
		2000-	R. Priest

2007 Council Representatives

MAYOR Ross Priest

Advisory Planning Committee
East Kootenay Regional Hospital Board
Personnel Committee
Regional District of East Kootenay, Director
Regional Transportation Advisory Committee



COUNCILLOR Angus Davis

2010 Legacy Committee
Cranbrook Public Library Board
East Kootenay Organization for Human Dignity and Equality
East Kootenay Regional Hospital Board (alt.)
Heritage Advisory Committee
Kootenay East Regional Hospital Board (alt.)
Personnel Committee
Regional District of East Kootenay (alt.)

COUNCILLOR Alan Gordon

East Kootenay Regional Hospital Board (alt.)
Environment and Utilities Committee
Joint Parks and Recreation Commission
Kootenay East Regional Hospital Board (alt.)
Parcel Tax Roll Review Panel
Regional District of East Kootenay (alt.)
Transit Advisory Committee



COUNCILLOR Scott Maniak

Cranbrook and District Community Foundation
East Kootenay Regional Hospital Board
EK Ethics Committee
Emergency Planning and Protective Services Committee
Kootenay East Regional Hospital Board
Kootenay Regional Advisory Committee
(Stakeholders Treaty Negotiations)
Regional District of East Kootenay, Director

COUNCILLOR Bruce Mollison

Advisory Planning Commission
Downtown Parking Commission
Environment and Utilities Committee
Personnel Committee
Transit Advisory Committee

COUNCILLOR Liz Schatschneider

Community Policing Committee
Cranbrook Chamber of Commerce
Emergency Planning and Protective Services
Environment and Utilities Committee
Kootenay Regional Advisory Group (Ktunaxa Local Government Treaty Advisory Committee)
Personnel Committee
Traffic Safety Committee

COUNCILLOR Jim Wavrecan

Cranbrook Archives, Museum and Landmark Foundation
Emergency Planning & Protective Services
Environment and Utilities Committee
Railway Museum Development Committee
Traffic Safety Committee
Transit Advisory Committee

DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

In accordance with Section 98(2)(e) of the *Community Charter*, there were no declarations of disqualification made under Section 111 of the *Community Charter* in the year 2007

City Services

The Corporation of the City of Cranbrook provides a broad range of municipal services to our residents, businesses and visitors to our community. The Corporation is organized into six Departments responsible for cost effective delivery of these services under the policy direction and budget authorization of Council. The City also contracts police services and provides financial support to the Cranbrook Public Library.

Public services provided by each Department are highlighted below.

CORPORATE SERVICES

Corporate Services Department personnel provided legislative support services to Council, including minutes, policy and bylaw development, records management, municipal elections administration and management of referendum processes. The Department also oversees City planning and development functions. Staff work closely with land developers to ensure responsible community growth and development.

The Department is also responsible for Municipal bylaw enforcement, provision of public information related to bylaws, mediation of neighbour disputes, the encouragement of reasonable bylaw compliance and domestic animal control services.

Department staff administer the City's Public Transit Services Agreement with B.C. Transit and Greyhound Canada Transportation Corporation as well as managing Corporate land sales and acquisitions.



Planning and development activity has been substantial in 2007 with many inquiries and steadily increasing development applications for consideration and approval. Applications for Development Permits and Zoning Bylaw amendments (rezoning) surpassed 2006 record totals.

A substantial amendment of the Official Community Plan was approved in late 2007 related to the Wildstone development project. Additional approvals will be required in 2008 and beyond in moving towards completion of the overall Wildstone development.

The northern boundary extension involving the proposed Shadow Mountain project was approved by the Province in October 2007. The City looks forward to receiving information from related development interests in planning for the northern boundary extension area.

Preparations for an application for a significant eastern boundary extension application continued in the second half in 2007 with Council endorsing the formal application to the Province in December.

Preparations for a Growth Management Study continued in the second half of 2007 in cooperation with City's Engineering and Finance and Computer Services departments.

Bylaw enforcement has required the focused and considerable use of resources often on an issue or site-specific basis and sometimes involving the City Solicitor. This has been driven primarily on a complaint basis unless otherwise directed by Council or its members through the Chief Administrative Officer.

FINANCE AND COMPUTER SERVICES

The Finance and Computer Services Department diligently administers the public financial resources of the City. In 2007, the Department prepared the Five Year Financial Plan for Council's consideration, prepared six

City Services (cont'd)

month interim management reports and budget analysis as well as annual financial reports. Department personnel process daily financial and accounting transactions, implement and monitor internal procedures, order goods and services and tender major capital projects.

Finance and Computer Services Department manages Human Resources functions for the Corporation including payroll, administration of collective agreements, employee benefits and recruitment. The Department also manages Corporate information technology services.

Under the British Columbia *Community Charter*, the City is required to adopt a Five Year Financial Plan. This long-term approach to financial planning allows Council and the community to consider the impact that current decisions will have on future financial flexibility. The Plan is updated each spring, prior to setting the tax rates, to reflect any changes that have occurred since the last Plan was adopted.

In 2007, considerable effort was invested in managing the expansion of the Canadian Rockies International Airport. The Province of BC and the Government of Canada have each contributed \$4.5 million to this very important project. Construction of the runway extension to 8,000 feet commenced in 2006. Through 2007, the air passenger terminal building expansion from 9591 square feet to 22380 square feet continued. Completion is expected in August, 2008.

Finance took the lead on negotiating the termination of the existing agreement with Keen Rose so that the City could assume ownership and management responsibility for the Multi-Purpose Recreation Complex in March, 2007.

A major undertaking in 2007 that was successfully completed was the revamping of the General Ledger System. The account structure was collapsed with a brand new Chart of Accounts being created. This new structure will result in a more user friendly Chart of Accounts and a better financial reporting system in 2008 and subsequent years.



Finance and Public Works worked closely together in changing the cost allocation of wage and benefit costs for Public Works. This change will assist the Public Works Department in better control and monitoring of their payroll costs.

In 2009, the City will have to record depreciation of its tangible capital assets as required by CICA's Public Sector Accounting Board. In order for this to happen, all capital expenditures incurred in prior years need to be reviewed and identified as to year of purchase, cost and estimated useful life. This is a major project which Finance, along with other departments, needs to complete in 2008. Finance started this project in 2007 by reviewing capital expenditures for the last 20 years and identifying information needs to implement CICA's new standards.

ENGINEERING

A small, talented engineering team guides the planning, design, and construction management for new development, replacement and major maintenance of City infrastructure. This includes our potable water and sanitary sewer utilities; the administration of lagoons and the spray irrigation site; our reservoir, diversion system and supply pipeline; as well as our roads, sidewalks, and storm drainage system. In 2007, the City undertook the following capital works projects:

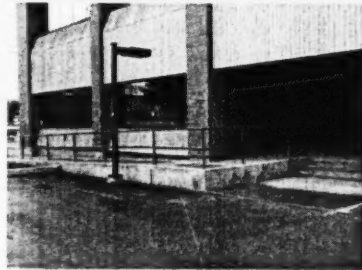
- repaving a number of residential streets;
- replacement of storm sewer along the 600 block of 16th Avenue South;
- construction of 2 new pressure reducing stations;
- widening of Willowbrook Drive; and
- the design for upgrading the 9th Avenue and McKinnon parking lots.

City Services (cont'd)

Overall project costs for these projects was \$2.9 million.

The Department also administers subdivision approvals, building permits and construction inspections. Activities for 2007 included 35 applications for subdivision which was up substantially from 2006's number of 15. There were 94 applications for new housing starts with a total of 376 building permits. Residential construction value was \$24,235,421 and commercial/industrial construction value was \$11,463,784.

The Department administers the City Cemetery and responds to numerous daily inquiries regarding land development, municipal servicing and building permit requirements.



PUBLIC WORKS

Our Public Works crews keep the City moving. Taking care of 138 km of paved roads and 43 km of unpaved lanes and streets, the crews clear snow, sand, repair and clean our streets.

The crews also take care of public parking lots, sidewalks and pedestrian pathways; roadway and surface drainage channels, structures and storm sewers. To ensure traffic moves safely Public Works maintains traffic and pedestrian signals, street lighting, regulatory and information signage.

Approximately 8,000 water services were maintained to residences across the City as well as approximately 1,200 business services and 3 industrial services. 1.3 billion imperial gallons (5.7 billion litres) of potable water were delivered to customers. Public Works crews maintain, repair and replace the in-ground pipes delivering this essential service; monitor the quality of the water and maintain the reservoir, diversion structures and feed lines. Instrumentation installed during 2005 in a diversion structure south of the City's Phillips Reservoir provides continuous on-line monitoring of surface water flows from Gold Creek and Joseph Creek watersheds. The equipment also monitors the apportionment of surface waters directed into the reservoir and into Joseph Creek that flows through Cranbrook. The monitoring equipment measures conductivity, turbidity and temperature from each of the two surface water sources and records flow from the Gold Creek pipeline. Crews completed 73 major repairs to water and sewer services in 2007.



Our crews also keep the City clean and attractive. Crews collect residential solid waste and trash from public areas, are responsible for the maintenance and operation of the City's wastewater collection and treatment systems as well as effluent transfer to the Spray Irrigation site.

In our parks and open spaces, Public Works personnel maintain playfields, playgrounds, boulevards, creeks and natural areas, trees, shrubs and gardens, the cemeteries, mausoleum and public structures including water parks, shelters and public toilets. Public Works crews worked closely with Communities in Bloom preparing sites by removing soil, excavating, placement of top soil and installation of irrigation systems.

City Services (cont'd)

City Hall, our Arenas, the Operations Centre, Fire Stations and Police Services as well as numerous small public buildings are maintained by Public Works personnel, directly and by contract, providing janitorial services, security, heat/ventilation/air conditioning services, carpentry, electrical, plumbing, painting, roofing, flooring, lighting and glazing.

To keep all of these services on the move our crews maintain, service and repair the City's fleet of vehicles and apparatus.

Waterworks crews dealt with a major water leak in the trunk main flowing from the Phillips Reservoir. Despite overwhelming challenges, the focus, dedication and exceptional ingenuity of a large group of talented people had the water main temporarily repaired and back in service with only a small portion of the community inconvenienced by a lack of water during the early morning hours. A permanent repair was completed approximately one month later with no inconvenience to any of our customers.

Attempts at completing a project to install a wye fitting on the large diameter water main downstream of the Phillips Reservoir has encountered materials delivery delays that are common in the current construction climate. Delivery of specialty materials that were ordered in September 2007 is expected in June 2008. Installation of the materials and completion of the project will follow as weather and ground conditions permit, likely in late September or early October of 2008.

Partnerships with community groups continue to result in many small but significant successes. New equipment such as the vacuum/flusher truck has improved our ability to better deal with sewer system problems and has reduced the time required to complete routine tasks. The new excavator was a timely purchase that allows quicker repair to the many water and sewer system problems typical of our community's aging buried services. A new drill seeder is performing beyond expectations and allows for shorter recovery times on play field turf, which increases the available practice and playing time for soccer, rugby and football groups. The new lawnmower with a 14 foot wide mulching mower deck has decreased the time taken to cut the massive area of turf in the City and provides a more uniform playing surface. Roads crews have established new construction standards and techniques that result in superior asphalt roadway patches at the sites of water and sewer excavations.

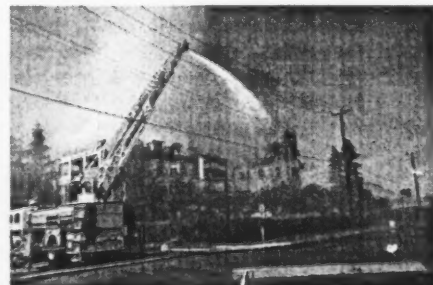
Council's program of re-surfacing asphalt roadways in the City is resulting in less effort to address the perennial pothole problem for which the City is well known. Personnel time is now freed up to deal with repair of water and sewer excavation sites and other roadway related maintenance tasks.

FIRE AND EMERGENCY SERVICES

In 2007, our team of 17 professional firefighters and 10 volunteers responded to 1,249 calls for emergency services. First responder services accounted for the majority of calls providing patient and site stabilization, vehicle extraction, and often supporting ambulance personnel. The Fire Department responded to 146 fire related calls in both the City and Regional District service area.

Beyond fire suppression and first responder services, the Fire Department provides core services in fire prevention, emergency preparedness and communications. In 2007, the Department conducted 1,075 fire safety inspections for buildings in Cranbrook, enforced the Fire Services Act and BC Fire Code, conducted 135 fire investigations and delivered over 100 program hours related to fire safety public education.

The Fire Department assumed a lead role in community emergency planning and preparedness, is responsible for organization of the Emergency Operations Centre and works



City Services (cont'd)

closely with Provincial officials in emergency response modeling.

In 2007, the Department directed 448 emergency calls to 15 regional communities, provided approximately 1,300 dispatch calls to Public Works crews, issued 154 burning permits, supported Fire Prevention Week and toured the community on Christmas Eve with Santa Claus.

The Department is a strong and active partner in the Fire Services Training Program provided by the College of the Rockies. In 2007, 26 students graduated from this unique and well respected training program preparing men and women for a career as a professional firefighter.

We also developed a 10 year strategic plan which will provide a framework for cost effective and efficient fire rescue services. In March of 2007, 9 members completed Fire Officer Level 2 training. This training ensures that succession planning and risk reduction are congruent with our 10 year strategic plan.

LEISURE SERVICES

The City recognizes the health and wellness benefits for our citizens participating in active leisure and recreation programs.

In 2007, our Leisure Services staff managed delivery of over 125 programs to 1376 preschool children, youth and adults.

Leisure Services and Public Works personnel managed, operated, maintained and provided a range of recreation services in the Memorial and Kinsmen arenas. The City provided public and private ice and dry pad services to minor hockey, figure skating, adult hockey, public skating, lacrosse, the Kinsmen Home and Garden Show, Cadets and many other community organizations.

In 2007, the aquatic centre supported more than 500 pool rentals and swim programs serving over 970 tots, pre-school and school age children, youth and adults. More than 65,000 people participated in public swim, lane swim and aquafit.

During 2007, 147 people were trained in aquatic leadership courses.

Leisure Services staff booked City facilities (arenas, pool, parks, play fields) and facilities included within the joint use agreement with School District #5 to ensure best utilization and public access to these community assets.

Installation of the Rec Plex Ice occurred in early July ready for the first hockey school the third week of July. Hockey Schools continued through the summer as well as many private ice rentals. Kootenay Ice Training Camp occurred in late August and their exhibition games started in September.



A new media booth was constructed in the late summer to assist the Kootenay Ice with additional media during special games and play offs. Since assuming management control of the Rec Plex in March, 2007, Leisure Services staff have focused on increased maintenance of the facility to ensure the community and our users that we have a complex to be proud of.

City Services (cont'd)

POLICE SERVICES

Community police services are provided by the Royal Canadian Mounted Police through a contract with the City of Cranbrook. Our local Detachment includes 24 officers and 13 support positions providing a wide range of police services. In 2007, the Detachment responded to 10,742 calls for service.

In 2007, the Detachment supported and delivered a number of community based services to enhance public safety, discourage criminal activity and encourage individuals to make wise choices as positive members of our society.

Detachment personnel provided School Liaison Officers (SLO), and delivered the Drug Abuse Resistance Education (DARE) program to all of the schools in Cranbrook as well as the Prevent Alcohol Risk-Related Trauma in Youth (PARTY) program and Smart Grad.

Other programs and volunteer groups such as Citizens on Patrol (COP's) and the Community Restorative Justice Programs have been very helpful and active. Restorative Justice volunteers logged more than 1,000 hours in 2007.

COP volunteers assisted members with surveillance of residences, complaints of mischief to property, alarms at businesses, fights in progress, impaired drivers, intoxicated persons and are a great asset to the detachment by being an extra set of eyes and ears out in the community. This group of dedicated volunteers have given over 700 hours of their personal time to assist our community.

Our officers, support staff and volunteers work hard to keep our community safe.

LIBRARY SERVICES

Under the guidance of the Library Board, the year began on a high note as the Cranbrook Public Library kicked off its first full year of operations in its beautiful new home with a grand opening ceremony on Friday, 26 January 2007. Then followed a busy year. 136,156 people visited the Library during the year, borrowing and using 225,443 items. That translates into an average of 8.65 items borrowed for each resident of Cranbrook and RDEK Area C. The expanded Information Desk proved popular with library users, with staff answering 13,448 questions.

In June, the Library participated in the launch of a new provincial initiative to offer free downloadable audiobooks for loan to its members. People downloaded over 350 titles in the first six months of the service. At the same time, the Library launched wireless access and installed time and print management software on the public computers, which eliminates accidental printing and ensures fair access for all users. People logged onto the public computers 22,584 times in 2007. They also used the online catalogue 91,571 times, the Library's website 34,164 times and searched the online subscription databases 1,318 times.

July brought the return of the perennially popular Summer Reading Club for children and teens. 332 kids joined the club, themed *Catch the Reading Bug*, taking part in more than 40 programs, which had a total participation of 2,104. Well planned and delivered programs ensured everyone had a great time. During the rest of the year, 154 other programs, such as Preschool Storytime and author readings, drew 3,533 people to attend.

2007 saw the long-planned revitalization of the Homebound Service for people who are physically unable to come to the Library. As a result, participation in the service more than doubled and continues to increase in 2008.

Officers at December 31, 2007

Will Pearce
Chief Administrative Officer

Wayne Staudt, CA
Director of Finance and Computer Services

Roy Hales, MCIP
Director of Corporate Services

Jamie Hodge, P.Eng.
City Engineer

Diane Butz
Director of Leisure Services

Wayne Price
Director of Fire and Emergency Services

Joe A. McGowan, ASCT
Director of Public Works

Dr. Nelson Ames
Medical Health Officer

SOLICITORS
Murdy & McAllister
Steidl, Kambeitz

BANK
Bank of Montreal

AUDITORS
BDO Dunwoody LLP

POLICE
Royal Canadian Mounted Police



Managements' Responsibility for Financial Reporting

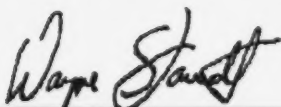
To Mayor Ross Priest and Members of Council:

In accordance with Section 167 of the Community Charter, we are pleased to submit the 2007 consolidated financial statements for the Corporation of the City of Cranbrook, together with the report of our auditors, BDO Dunwoody LLP.

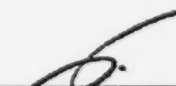
The preparation of the consolidated financial statements is the responsibility of the City's management. The statements have been prepared in accordance with Canadian generally accepted accounting principles for municipalities in the Province of British Columbia. These principles are based upon recommendations of the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

The consolidated financial statements have been audited by BDO Dunwoody LLP Chartered Accountants in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. The auditors' report expresses their opinion on these consolidated financial statements. The auditors have full and free access to the accounting records.



Wayne Staudt, CA
Director of Finance and Computer Services



Will Pearce
Chief Administrative Officer

April 20, 2008

Auditors' Report



BDO Dunwoody, LLP
Chartered Accountants
and Advisors

35 10th Avenue South
Cranbrook, BC Canada V1C 2M9
Telephone: (250) 426-4285
Fax: (250) 426-8886
www.bdo.ca

**To the Mayor and Council of
The Corporation of the City of Cranbrook**

We have audited the consolidated statement of financial position of The Corporation of the City of Cranbrook as at December 31, 2007 and the consolidated statements of financial activities, current fund operations, capital fund operations, reserve fund operations, and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2007 and the results of its financial activities and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

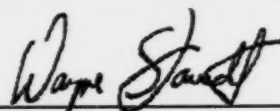
A handwritten signature in black ink that reads 'BDO Dunwoody LLP' with a stylized flourish at the end.

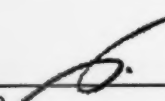
Chartered Accountants

Cranbrook, British Columbia
April 20, 2008

Consolidated Statement of Financial Position

December 31	2007	2006
Financial Assets		
Cash and funds on deposit (Note 1)	\$ 33,526,681	\$ 27,009,640
Accounts receivable (Note 2)	2,030,668	5,731,287
Land held for resale	252,272	766,028
Deposit - Municipal Finance Authority (Note 3)	658,017	1,138,026
	<u>36,467,638</u>	<u>34,644,981</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	7,731,064	9,750,007
Deferred revenue (Note 5)	2,342,094	2,493,634
Development cost charges (Note 6)	1,797,816	1,467,380
Reserve - Municipal Finance Authority (Note 3)	658,017	1,138,026
Long-term debt (Note 7)	35,522,720	36,396,226
	<u>48,051,711</u>	<u>51,245,273</u>
Net Financial Liabilities	<u>(11,584,073)</u>	<u>(16,600,292)</u>
Physical Assets		
Inventory of supplies	210,370	287,394
Capital assets (Note 8)	192,535,669	180,545,057
	<u>192,746,039</u>	<u>180,832,451</u>
Net Position	<u>\$ 181,161,966</u>	<u>\$ 164,232,159</u>
Municipal Position		
Financial equity		
Current fund	\$ 11,956,173	\$ 9,692,716
Capital fund	240,590	1,482,206
Reserve fund	9,630,300	5,885,048
	<u>21,827,063</u>	<u>17,059,970</u>
Equity in physical assets (Note 9)	<u>159,334,903</u>	<u>147,172,189</u>
	<u>\$ 181,161,966</u>	<u>\$ 164,232,159</u>


 Wayne Staudt, CA
 Director of Finance and Computer Services


 Will Pearce
 Chief Administrative Officer

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Financial Activities

For the year ended December 31	2007		2006
	(Unaudited) Budget	Actual	Actual
Revenue			
Taxation for municipal purposes (Note 14)	\$ 17,956,370	\$ 17,973,717	\$ 16,787,937
Grants in lieu of taxes	227,200	238,645	268,483
Utility fees	4,601,680	4,534,802	4,157,730
Federal government grants	2,116,825	1,508,478	3,353,159
Provincial government grants	1,059,900	982,284	5,059,612
Regional and other local government grants	696,414	724,892	1,049,405
Sale of services and fees	7,103,752	7,439,314	6,563,354
Service, penalties, and interest charges	250,560	274,458	268,072
Contributions from developers, and others	-	4,194,043	1,325,891
Development cost charges	238,021	231,575	6,313
MFA refunds	-	724,420	349,568
Interest earned on investments	156,600	1,246,005	923,756
Proceeds from sale of land held for resale	-	1,019,588	646,060
Omnibus agreement - termination fee (Note 16a)	-	1,328,529	-
Other revenue	355,340	175,023	226,765
Actuarial adjustment on long-term debt	-	298,862	197,480
	34,762,662	42,894,635	41,183,585
Expenditures (Note 15)			
General government services	2,736,034	2,915,279	2,364,296
Protective services	6,482,757	6,266,655	6,195,150
Transportation services	3,666,902	4,525,910	4,288,144
Cemetery services	76,355	82,355	75,394
Planning and development services	428,460	230,434	177,459
Recreation and cultural services	4,474,033	4,010,983	3,512,022
Water services	1,282,764	1,276,608	1,184,628
Sewer services	900,854	975,555	756,045
Solid waste services	1,574,936	1,631,325	1,563,125
Airport operations	1,131,525	1,092,268	1,006,116
Cost of land sold	-	514,391	536,209
Interest on long-term debt	2,231,245	2,200,270	2,142,017
Capital expenditures	9,348,201	8,097,761	17,310,599
Contributed capital assets	-	4,058,621	1,316,544
	34,334,066	37,878,415	42,427,748
Net revenues (expenditures)	428,596	5,016,220	(1,244,163)
New debt issued	1,060,000	985,300	5,000,000
Debt principal repayments	(1,168,999)	(1,234,427)	(1,235,446)
Change in fund balances	319,597	4,767,093	2,520,391
Financial equity, beginning of year	17,059,970	17,059,970	14,539,579
Financial equity, end of year	\$ 17,379,567	\$ 21,827,063	\$ 17,059,970

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Current Fund Operations

For the year ended December 31	2007	2006
	Actual	Actual
Revenues		
Taxation for municipal purposes (Note 14)	\$ 17,973,717	\$ 16,787,937
Grants in lieu of taxes	238,645	268,483
Utility fees	4,534,802	4,157,730
Federal government grants	5,930	1,538
Provincial government grants	542,605	631,673
Regional and other local government grants	724,892	755,505
Sale of services and fees	7,439,314	6,563,354
Service, penalties, and interest charges	274,458	268,072
Development cost charges	5,169	6,313
Interest earned on investments	871,430	636,202
Proceeds from sale of land held for resale	1,019,588	646,060
Other revenue	87,615	80,228
	33,718,165	30,803,095
Expenditures		
General government services	2,914,917	2,347,346
Protective services	6,266,655	6,195,150
Transportation services	4,525,910	4,288,144
Cemetery services	82,355	75,394
Planning development services	230,434	177,459
Recreational and cultural services	4,010,983	3,512,022
Water services	1,276,608	1,184,628
Sewer services	975,555	756,045
Solid waste services	1,631,325	1,563,125
Airport operations	1,092,268	1,006,116
Cost of land sold	514,391	536,209
Interest on long-term debt	2,200,270	2,142,017
	25,721,671	23,783,655
Net revenues	7,996,494	7,019,440
Net interfund transfers		
Capital fund	(3,639,823)	(4,057,355)
Reserve fund	(2,093,214)	(1,541,440)
	(5,733,037)	(5,598,795)
Change in current fund balance	2,263,457	1,420,645
Balance, beginning of year	9,692,716	8,272,071
Balance, end of year	\$ 11,956,173	\$ 9,692,716

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Capital Fund Operations

For the year ended December 31	2007	2006
	Actual	Actual
Revenues		
Federal government grants	\$ 1,502,548	\$ 3,351,621
Provincial government grants	439,679	4,427,939
Regional and other local government grants	-	293,900
Contributions from developers and others	4,194,043	1,325,891
Development cost charges	226,406	-
Other revenue	58,800	10,000
Issuance of long-term debt	985,300	5,000,000
Actuarial adjustment on long-term debt	298,862	197,480
	7,705,638	14,606,831
Expenditures		
Capital expenditures		
Land	26,579	-
Buildings	234,415	3,322,618
Equipment	734,506	717,042
Engineering structures	7,934,242	12,025,618
Construction in progress	3,226,640	2,561,865
Debt principal repayments	1,234,427	1,235,446
	13,390,809	19,862,589
Net expenditures	(5,685,171)	(5,255,758)
Net interfund transfers		
Current fund - acquisitions	2,704,258	3,019,389
Current fund - debt reduction	935,565	1,037,966
Reserve fund	803,732	2,935,767
	4,443,555	6,993,122
Change in capital fund balance	(1,241,616)	1,737,364
Balance, beginning of year	1,482,206	(255,158)
Balance, end of year	\$ 240,590	\$ 1,482,206

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Reserve Fund Operations

For the year ended December 31	2007	2006
	Actual	Actual
Revenues		
Omnibus agreement termination fees	\$ 1,328,529	\$ -
MFA refunds	724,420	349,568
Interest income	374,575	287,554
Donations	-	136,537
Other revenue	28,608	-
	<u>2,456,132</u>	<u>773,659</u>
Expenditures		
Miscellaneous	<u>362</u>	<u>16,950</u>
Net revenues	<u>2,455,770</u>	<u>756,709</u>
Net interfund transfers		
Current fund	2,093,214	1,541,440
Capital fund	(803,732)	(2,935,767)
	<u>1,289,482</u>	<u>(1,394,327)</u>
Change in reserve fund balance	<u>3,745,252</u>	<u>(637,618)</u>
Balance, beginning of year	<u>5,885,048</u>	<u>6,522,666</u>
Balance, end of year (Note 10)	<u>\$ 9,630,300</u>	<u>\$ 5,885,048</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31	2007	2006
Operating activities		
Cash receipts from assessments, levies, penalties and interest on taxes	\$ 23,199,658	\$ 21,363,509
Cash receipts from grants, other governments, and own sources	6,000,034	6,355,225
Cash receipts from sale of services and other sources	11,135,338	8,014,283
Cash paid to employees and suppliers	(24,753,330)	(15,492,583)
Interest paid	(2,200,270)	(2,142,017)
Interest received on investments	1,302,711	953,606
	<u>14,684,141</u>	<u>19,052,023</u>
Investing activities		
Purchase of capital assets	(8,097,761)	(17,310,599)
Financing activities		
Issuance of long-term debt	985,300	5,000,000
Repayment of long-term debt	(1,559,944)	(1,187,318)
Development cost charges collected	505,305	981,391
	<u>(69,339)</u>	<u>4,794,073</u>
Increase in cash during year	6,517,041	6,535,497
Cash and funds on deposit, beginning of year	27,009,640	20,474,143
Cash and funds on deposit, end of year	\$ 33,526,681	\$ 27,009,640

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Summary of Significant Accounting Policies

December 31, 2007

Basis of Presentation

The consolidated financial statements of the Municipality are the representations of management and are prepared in accordance with Canadian generally accepted accounting policies for local government entities using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Reporting Entity

The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to City Council and which are owned or controlled by the City of Cranbrook.

These consolidated statements reflect the assets, liabilities, revenues, expenditures, changes in fund balance, and cash flows of the reporting entity. In addition to the general City of Cranbrook departments, the reporting entity includes the Cranbrook Public Library.

Basis of Accounting

The resources and operations of the Municipality are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The current fund reports the general operations of the Municipality. The capital fund is used principally to account for physical assets acquired and the respective obligations incurred which are to be financed from the future revenue of the current fund operations. Reserve funds are generally created, pursuant to applicable statutes or by-laws, by appropriations from current fund operations. The use of these funds are restricted to the purposes for which the reserve funds are created. All interfund balances have been eliminated on the consolidated statement of financial position.

Within the framework of the fund basis of accounting, these financial statements have been prepared on an accrual basis. Under this basis, revenues are accounted for in the period in which transactions or events occurred that gave rise to the revenues. Expenditures are accounted for in the period the goods or services are acquired.

Funds on Deposit

Funds on deposit include temporary investments recorded at the lower of cost or market value.

Summary of Significant Accounting Policies (cont'd)

December 31, 2007

Land Held for Resale	Land held for resale is stated at lower of cost and market.
Vacation and Sick Pay	Vacation pay and accumulated sick leave is charged to expense in the year it is earned.
Development Cost Charges	Development cost charge ("DCC") levies are restricted by by-law in their use for providing funds to assist the municipality in paying the capital cost of providing, constructing, altering or expanding sewage, water, drainage and highway facilities and the revenue is deferred until the expenditures are incurred. When DCC expenditures are made, a corresponding amount is recorded in revenue as "Development Cost Charges."
Inventory	Inventory is stated at cost. Cost is determined on a moving average cost basis. Inventories held by the Municipality are not viewed as financial assets and therefore have been included as expenditures in the period they are acquired on the consolidated statement of financial activities.
Capital Assets	Capital assets are reported on the consolidated statement of financial position as non-financial assets and are stated at cost other than the Library book collection which is stated at replacement cost. On the consolidated statement of financial activities, capital assets are recorded as an expenditure in the year of acquisition. Amortization of capital assets has not been provided for.
Revenue Recognition	<p>Unrestricted grants and contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Restricted grants or contributions received under funding agreements which relate to a subsequent period are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Funding received before this criterion has been met, is reported as deferred revenue on the statement of financial position until the period in which the specified purpose or related expense is incurred.</p>

Summary of Significant Accounting Policies (cont'd)

December 31, 2007

Financial Instruments

The Municipality carries several financial instruments. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Budget Figures

The budget figures are from the Five Year Financial Plan Bylaw to be adopted each year. They have been reallocated and adjusted to conform to PSAB Financial Statement Presentation. Capital budgeting is project based, therefore capital budget figures do not necessarily reflect the planned revenue and expense for the current year.

Use of Estimates

The consolidated financial statements of the Municipality have been prepared in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Notes to Consolidated Financial Statements

December 31, 2007

1. Cash and Funds on Deposit

Included in cash and funds on deposit is a sinking fund for IDSA debt repayment in the amount of \$1,876,002 (2006 - \$1,711,787) which has been invested in a short term GIC with an interest rate ranging from 4.20% to 4.525% per annum. Other amounts included in cash and funds on deposit which have been specifically designated and set aside for internally and externally restricted purposes total \$13,313,984 (2006 - \$10,462,725).

2. Accounts Receivable

	<u>2007</u>	<u>2006</u>
Taxes - current	\$ 467,175	\$ 519,279
- arrears	123,562	209,776
- property subject to redemption	-	68,899
Federal government	413,904	1,820,044
Province of British Columbia	22,804	1,768,155
Regional and other local governments	3,443	96,746
Other receivables	999,780	1,248,388
	<u>\$ 2,030,668</u>	<u>\$ 5,731,287</u>

3. Deposit and Reserve - Municipal Finance Authority

The Municipality issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The Municipality also executes demand notes in connection with each debenture whereby the Municipality may be required to loan certain amounts to the Municipal Finance Authority. The details of the cash deposits and demand notes at year end are as follows:

	<u>2007</u>	<u>2006</u>
Demand notes	\$ 482,540	\$ 669,671
Cash deposits	175,477	468,355
	<u>\$ 658,017</u>	<u>\$ 1,138,026</u>

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

4. Accounts Payable and Accrued Liabilities

	<u>2007</u>	<u>2006</u>
Federal government	\$ 1,083,758	\$ 731,733
Province of British Columbia	2,701,632	4,159,862
Regional and other local governments	31,668	26,459
Vacation and accrued benefits payable	572,279	594,797
Other payables	3,341,727	4,237,156
	<u>\$ 7,731,064</u>	<u>\$ 9,750,007</u>

5. Deferred Revenue

	<u>2007</u>	<u>2006</u>
Property taxes	\$ 1,932,473	\$ 1,687,197
Sewer Assistance Grant	181,034	271,673
Other	228,587	534,764
	<u>\$ 2,342,094</u>	<u>\$ 2,493,634</u>

6. Development Cost Charges

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$ 1,467,380	\$ 462,452
Add:		
Interest earned	56,706	29,850
Development cost charge levies	505,305	981,391
	2,029,391	1,473,693
Deduct:		
Expenditures	231,575	6,313
Balance, end of year	<u>\$ 1,797,816</u>	<u>\$ 1,467,380</u>

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

7. Long-term Debt

	2007	2006
Mortgages		
Assumption of previous capital lease liability, repayable monthly \$149,369 including interest at approximately 7.25%, maturing 2030	\$ 20,228,741	\$ -
Debenture Debt		
Debenture debt is repayable to either the British Columbia Municipal Finance Authority or the Canada Mortgage and Housing Corporation. Existing debentures mature in annual amounts to the year 2032 and interest is payable at rates ranging from 4.00% to 10.75% per annum.	13,033,488	13,056,546
Loan - Province of British Columbia		
Loan interest is currently accrued at a rate of 1.875% per annum. Net proceeds from the sale or lease of Industrial Park land are deposited in the IDSA Debt Repayment Reserve and forwarded to the Province on August 1 each year. Payments are first applied to unpaid interest and any remainder to the loan. Any unpaid interest will be added to the loan on August 1, 2016.		
In addition, the Municipality is required to deposit \$85,000 annually to the IDSA Sinking Fund which will be applied against the outstanding capitalized loan. The current balance of this sinking fund is \$1,876,002 (2006 - \$1,711,787).	2,111,584	2,735,965
Bank Loans		
Bank loans are primarily comprised of capital borrowings in accordance with S.178 of the Community Charter. Annual payments of principal plus interest at prime less 0.75% are required in November of each year, maturing 2009	142,630	208,890
Bank term loan, repayable \$1,320 monthly including interest at prime plus 1%, maturing 2008	6,277	21,096
	35,522,720	16,022,497
Capital lease liability	-	20,373,729
	\$ 35,522,720	\$ 36,396,226

During the year, the City finalized negotiations with Keen Rose Technology Limited and terminated the public/private partnership agreement and assumed lessors mortgages thus replacing the capital lease liability (Note 16).

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

7. Long-term Debt (continued)

Future minimum principal payments and actuarial adjustments required on long-term debt for the next five years and thereafter are due as follows:

	Debtenture Debt	Loan BC	Bank Loans	Mortgages	Total
2008	\$ 785,823	\$ 25,000	\$ 75,857	\$ 360,423	\$ 1,247,103
2009	550,566	25,000	73,050	387,009	1,035,625
2010	550,566	25,000	-	415,555	991,121
2011	549,345	25,000	-	430,884	1,005,229
2012	549,345	30,000	-	447,345	1,026,690
Thereafter	10,047,843	1,981,584	-	18,187,525	30,216,952
	<u>\$ 13,033,488</u>	<u>\$ 2,111,584</u>	<u>\$ 148,907</u>	<u>\$ 20,228,741</u>	<u>\$ 35,522,720</u>

8. Capital Assets

	2007	2006
Land	\$ 5,821,779	\$ 5,795,200
Buildings	36,348,811	13,972,396
Equipment	19,132,668	18,459,786
Engineering structures	124,381,497	116,447,255
Construction in progress	5,788,505	2,561,865
Library book collection	1,062,409	1,166,555
	<u>192,535,669</u>	<u>158,403,057</u>
Assets under capital lease - buildings (Note 7)	-	22,142,000
	<u>\$ 192,535,669</u>	<u>\$ 180,545,057</u>

During the year the City finalized negotiations with Keen Rose Technology Limited and terminated the public/private partnership agreement and assets under capital lease have been transferred to buildings at its full cost.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

8. Capital Assets (continued)

For the year ended December 31, 2009, the City will be required to comply with Section 3150, Tangible Capital Assets of the Public Sector Accounting Board Handbook. Section 3150 requires the capitalization and amortization of tangible capital assets in the financial statements. As a transitional provision, Public Sector Guideline-7, Tangible Capital Assets of Local Governments, requires disclosure of information for each major class of tangible capital assets for which all the relevant information can be provided for the complete stock of tangible capital assets of that category.

The major categories for which such information is available as at December 31, 2007, are as follows:

	Land	Buildings	Infrastructure	Machinery & Equipment	Unallocated	Total
Cost, beginning of year	\$ 5,795,199	\$ 31,557,962	\$ 75,736,312	\$ 14,141,962	\$ 53,313,622	\$180,545,058
Acquisitions	15,279	3,461,054	4,115,024	469,979	-	8,061,336
Contributed additions	11,300	-	3,819,218	239,403	-	4,069,921
Disposals	-	-	-	(140,646)	-	(140,646)
Cost, end of year	<u>\$ 5,821,778</u>	<u>\$ 35,019,016</u>	<u>\$ 83,670,554</u>	<u>\$ 14,710,698</u>	<u>\$ 53,313,622</u>	<u>\$192,535,669</u>

In determining the above amounts, cost was determined by reference to historical records.

9. Equity in Physical Assets

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	<u>\$ 147,172,189</u>	<u>\$ 132,672,459</u>
Capital asset additions	12,156,382	18,627,144
Issuance of long-term debt	(985,300)	(5,000,000)
Actuarial adjustments	298,862	197,480
Repayment of long-term debt	935,565	1,037,966
Change in inventory and collections	(181,170)	(94,359)
Disposal of capital assets	(61,625)	(268,501)
	<u>12,162,714</u>	<u>14,499,730</u>
Balance, end of year	<u>\$ 159,334,903</u>	<u>\$ 147,172,189</u>

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

10. Summary of Reserve Fund Positions

	2007	2006
Airport reserve for future expenditure	\$ 116,834	\$ 102,438
Airport improvement fee reserve	263,595	130,569
BC Summer Games legacy	6,287	6,039
Cranbrook Festival of Lights	4,307	4,136
Capital projects reserve	171,134	139,603
Employee family assistance program	7,760	5,760
Equipment acquisition reserve	616,173	439,078
Federal gas tax reserve (Note 17)	585,983	432,347
Fire capital	58,754	38,217
General land sales	442,737	162,785
General parking lot reserve	573,785	558,054
Grants to organizations	9,500	15,500
GST infrastructure reserve	359,451	539,187
Hazardous fuel fund reserve	38,758	-
Library building	369,450	182,848
Library reserve fund	8,472	35,844
Moir Centennial Athletic Park	48,676	46,654
Moir Park reserve	1,209,760	860,390
Panorama Heights water system	32,426	33,578
Park land acquisition	52,567	29,086
Recreation complex reserve	1,360,105	-
Recreation fields	3,376	3,328
Recapitalization reserve	558,390	323,398
Sewer utility capital reserve	467,369	399,054
Subdivision street signage	10,325	6,425
Tax sale property (MFA refunds)	2,205,785	1,340,730
Winter games - 2008	48,541	50,000
	\$ 9,630,300	\$ 5,885,048

11. Credit Facility

The Municipality has a credit facility agreement with a financial institution which provides for a total commitment of \$4,000,000. At December 31, 2007, the Municipality had drawn an amount of \$Nil (2006 - \$Nil) on this agreement.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

12. Pension Liability

The Municipality and its employees contribute to the Municipal Pension Plan ("the plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The Corporation of the City of Cranbrook paid \$595,318 (2006 - \$568,009) for employer contributions to the plan in fiscal 2007.

13. Trust Funds

The Municipality holds funds in trust for specific uses comprised of the following amounts:

	2007	2006
Westlawn Perpetual Care Fund	\$ 230,907	\$ 227,039
General Cemetery Care Fund	5,338	5,338
Mausoleum Perpetual Care Fund	86,025	85,925
	<u>\$ 322,270</u>	<u>\$ 318,302</u>

The assets and offsetting liabilities are not reflected in the Municipality's consolidated financial statements.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

14. Taxation for Municipal Purposes

Taxation revenue for municipal purposes is comprised of the following amounts:

	<u>2007</u>	<u>2006</u>
Total levies and special assessments	\$ 26,006,954	\$ 24,134,439
Transfers to other governments		
Regional District of East Kootenay	273,047	241,545
School District	6,810,440	6,288,884
Regional Hospital District	786,018	664,765
BC Assessment Authority	163,732	151,308
	<u>8,033,237</u>	<u>7,346,502</u>
General municipal purposes	\$ 17,973,717	\$ 16,787,937

15. Expenditures by Object

	<u>2007</u>	<u>2006</u>
Advertising and promotion	\$ 210,749	\$ 140,539
Capital acquisitions and materials	12,129,669	18,571,809
Contract services	6,941,548	7,206,095
Contributions to organizations	337,370	318,525
Cost of land sold	514,391	536,209
Debt servicing and financing charges	2,200,270	2,142,017
Insurance	356,677	341,595
Licenses, permits and fees	24,219	19,785
Materials and supplies	2,459,234	1,909,541
Memberships, education and training	122,775	105,957
Professional fees and payments	549,764	360,033
Repairs and maintenance	894,416	858,965
Telephone and utilities	1,195,270	763,640
Wages and benefits	9,942,063	9,153,038
	<u>\$ 37,878,415</u>	<u>\$ 42,427,748</u>

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

16. Commitments and Contingencies

a) Multi-Purpose Recreation Complex - Public/Private Partnership

In December 2004, the City of Cranbrook and Keen Rose Technology Limited entered into an agreement to terminate the public/private partnership agreement pertaining to the finance and management of the multipurpose recreation centre.

The terms of the agreement require that Keen Rose shall cease all responsibility for the management of the multipurpose recreation centre and the City will assume management responsibility. The lease obligation with Keen Rose Technology Limited will cease and the City will assume their existing debt pertaining to the multipurpose recreation centre. Keen Rose Technology Limited shall pay to the City a one-time lump sum termination fee in the amount of \$1,709,000.

On March 5, 2007, the 2004 Termination Agreement between the City and Keen Rose Technology Limited was amended whereby the one-time lump sum termination fee of \$1,709,000 was changed to a single payment of \$500,000 plus \$100,000 per month commencing April 1, 2007, until the balance is fully paid. On March 5, 2007, the City took over the operation of the Multi-Purpose Recreation Complex from Keen Rose and upon receiving the final payment on the \$1,709,000 the City will complete the ownership of the facility and assume full responsibility for the outstanding loans.

b) Service Contracts

The Municipality has service contracts with estimated annual minimum payments of \$6,540,268 (2006 - \$4,406,733).

c) Contingency for Pension Plan Contributions

The City is required to match employee contributions to the Municipal Pension Plan when an employee decides to purchase enrolment arrears for service periods prior to January 1, 1988. The future pension cost for this is unknown and these amounts, if any, will be expensed as payroll costs in future years when paid.

d) Other Contingencies

There are potential lawsuits pending in which the City is involved. It is considered that the potential claims against the City resulting from such litigation and not covered by insurance would not materially affect the consolidated financial statements of the City. These amounts, if any, will be expensed in future years when the claims are settled.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2007

17. Federal Gas Tax Agreements

Gas Tax is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

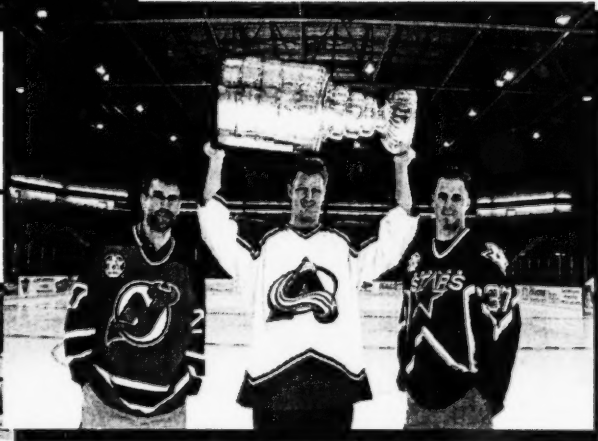
	<u>2007</u>	<u>2006</u>
Balance of unspent funds, beginning of year	\$ 432,347	\$ 250,586
Amount received during the year	333,549	250,127
Interest earned	20,087	12,039
Less: Funds utilized	(200,000)	(80,405)
Balance of unspent funds, end of year	<u>\$ 585,983</u>	<u>\$ 432,347</u>

Statistical Review

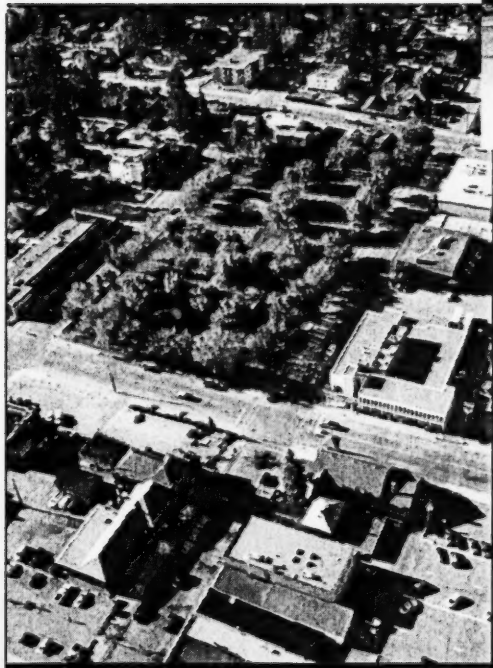


Centennial Garden Cranbrook Street

Lord Stanley in Cranbrook



Downtown Rotary Park



Elevation 921 m

Area 2,272 ha

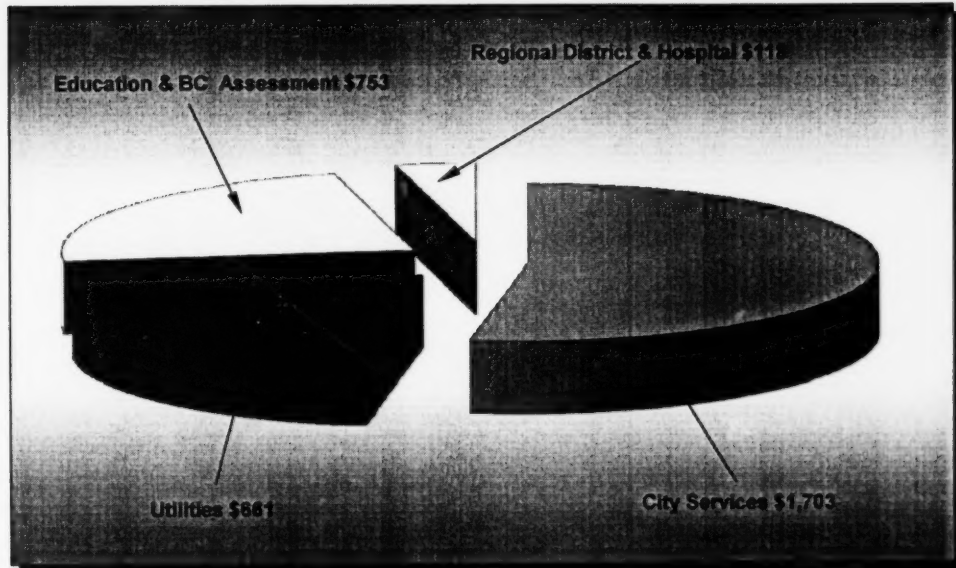
Population 19,409

Voters' List 13,906

Statistical Review (cont'd)

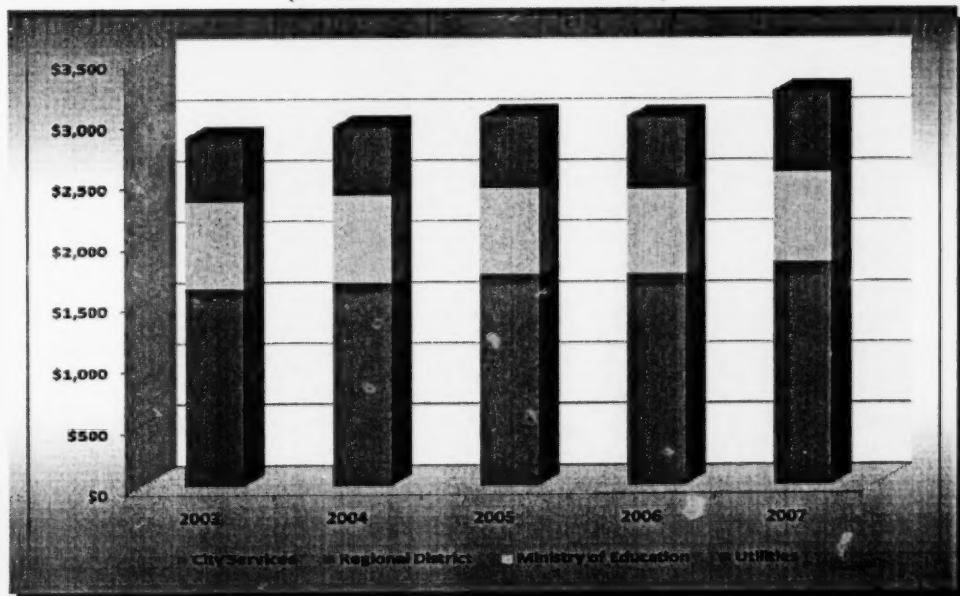
2007 Average Taxes & Utilities

(Before Provincial Home Owner Grant)



Average Taxes & Utilities

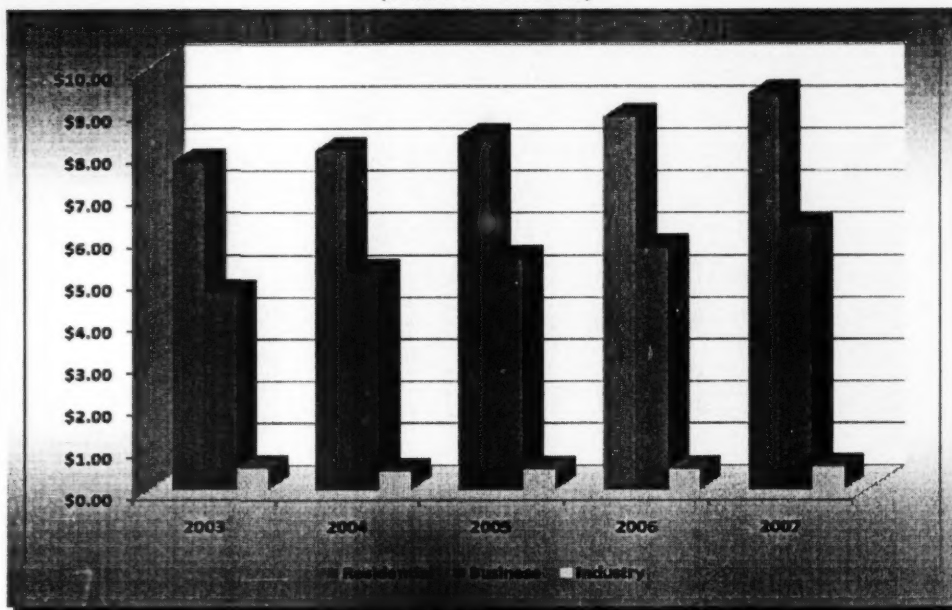
(Before Provincial Home Owner Grant)



Statistical Review (cont'd)

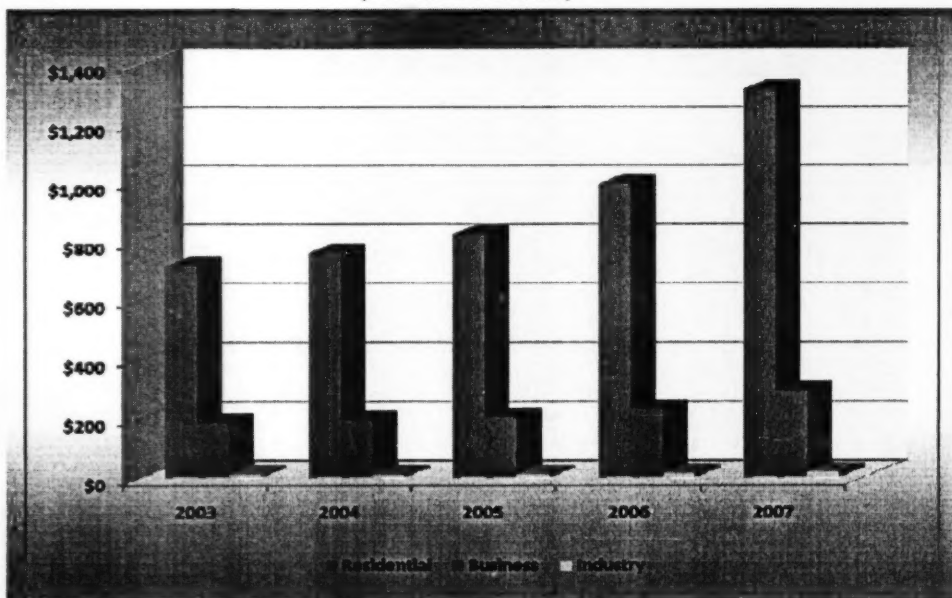
Property Taxes

(In Millions of Dollars)



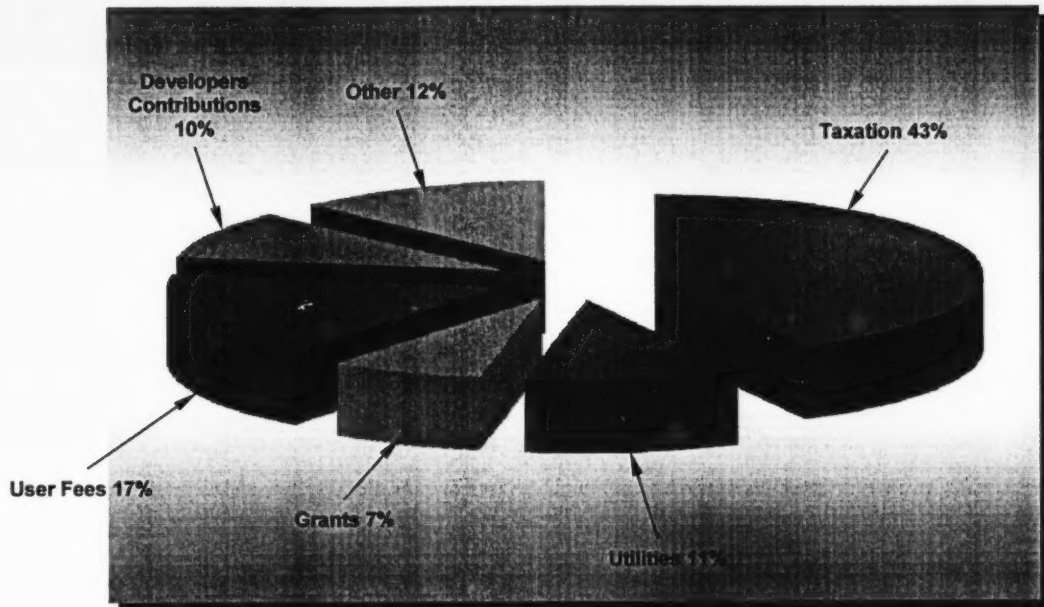
Assessed Value

(In Millions of Dollars)

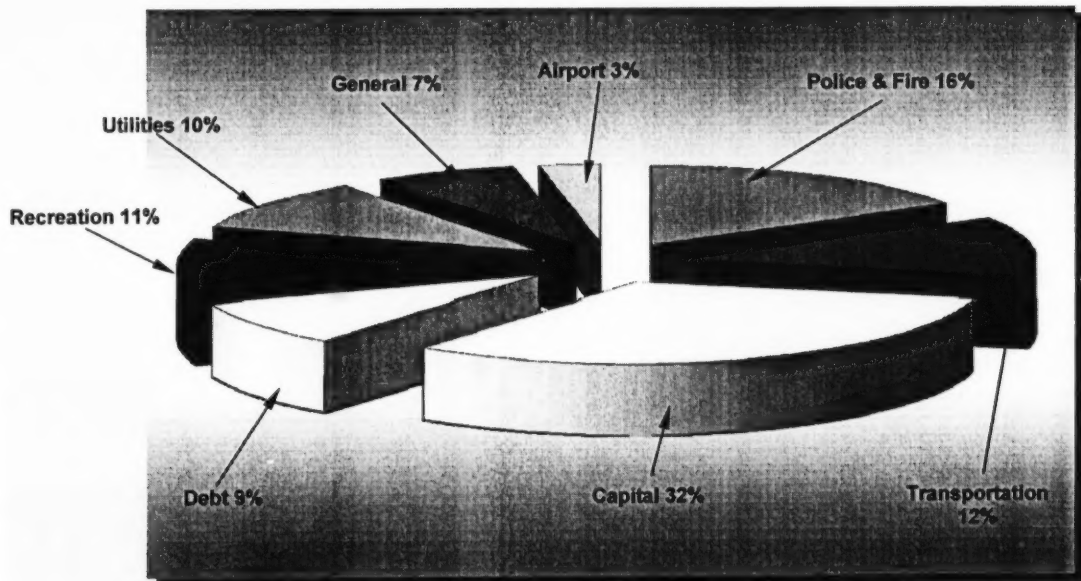


Statistical Review (cont'd)

2007 Revenue



2007 Expenditures

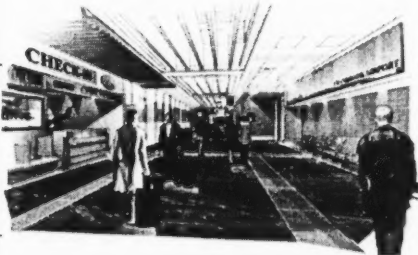


The Corporation of the City of Cranbrook

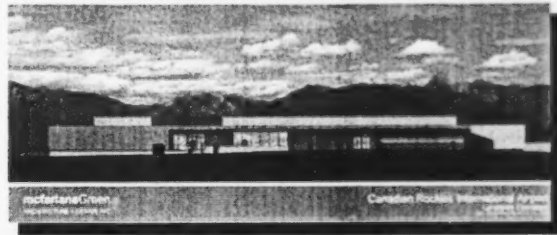
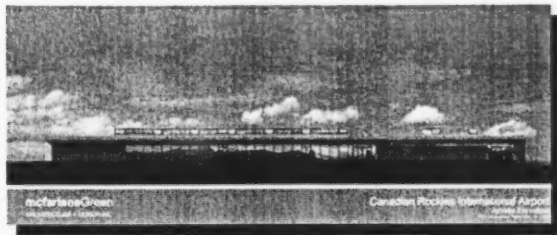
Section 98 of the Community Charter requires Municipalities to include in their annual report a progress report respecting the previous year in relation to objectives and measures established for that year. The report also sets out current and future year objectives and measures that will be used to determine progress towards those objectives.

This 2007 annual report includes objectives and measures for 2006, 2007, 2008 and 2009. Achievements from 2006 and 2007 are also included.

Promote a climate conducive to enhanced opportunity

Objectives	2006 Measures	2006 Achievements	2007 Measures
Expand the Regional Airport	<ul style="list-style-type: none"> Substantially complete construction of 8000 ft. runway and Phase I & II of terminal building Complete International Marketing Plan 	<ul style="list-style-type: none"> Runway completed October 2006 	<ul style="list-style-type: none"> Complete Phase I & II of the terminal building - October 2007 Complete and implement International Marketing Plan - late 2007 target Coordinate marketing plan with new Corporate branding
			
Reinforce the City's position as a regional service centre	<ul style="list-style-type: none"> Economic Development Officer position to be recruited 2006 		<ul style="list-style-type: none"> Develop Fire Services Model for Airport Complete Economic Development Strategy - Late 2007 Initiate Corporate Branding Develop Corporate Communications Plan - Late 2007
	<ul style="list-style-type: none"> Facilitate commercial and industrial development proposals 	<ul style="list-style-type: none"> Home Depot Best Western Industrial land sales Joseph Creek Village expansion 	<ul style="list-style-type: none"> Facilitate commercial and industrial development proposals

2006, 2007, 2008 & 2009 Key Objectives



for economic, social and cultural development

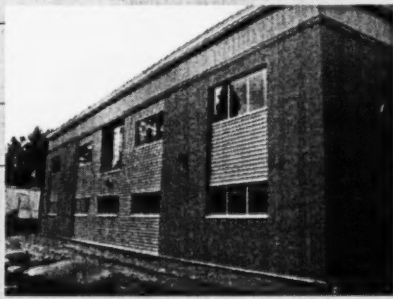
2007 Achievements	2008 Measures	2009 Measures
<ul style="list-style-type: none"> • New arrivals area completed in 2007, balance to be completed August, 2008 	<ul style="list-style-type: none"> • Complete construction of Airport Terminal Building 	
<ul style="list-style-type: none"> • To be completed in March, 2008 	<ul style="list-style-type: none"> • Setup airport marketing plan, administration and funding programs 	<ul style="list-style-type: none"> • Market Canadian Rockies International Airport and Kootenay region to target markets
<ul style="list-style-type: none"> • Shift to 2008 	<ul style="list-style-type: none"> • Finalize Delta Air Lines agreement, commence service. Initiate U.S. market focused marketing program 	
		<ul style="list-style-type: none"> • Continue negotiations to acquire land from St. Mary's Band to expand Airport to accommodate round-trip direct flights from overseas
	<ul style="list-style-type: none"> • Negotiate new long term agreement with YVR 	
<ul style="list-style-type: none"> • Aircraft fire fighting proposal has been submitted to YVR. Awaiting response 	<ul style="list-style-type: none"> • Complete ARFF training for Cranbrook Fire Fighters 	<ul style="list-style-type: none"> • Acquire ARFF apparatus
<ul style="list-style-type: none"> • RFP released, West Coast CED successful, to commence April, 2008, to complete Fall 2008 	<ul style="list-style-type: none"> • Develop and implement Airport lands development strategy – 2008 	
	<ul style="list-style-type: none"> • Complete Economic Development Strategy 	<ul style="list-style-type: none"> • Implement Economic Development Strategy
<ul style="list-style-type: none"> • To commence summer 2008 	<ul style="list-style-type: none"> • Complete and implement Corporate Branding 	
	<ul style="list-style-type: none"> • Asia Pacific Initiative – enter into agreement with Province, develop implementation plan according agreement terms 	
<ul style="list-style-type: none"> • Shift to 2008 	<ul style="list-style-type: none"> • Develop Corporate Communications Strategy 	<ul style="list-style-type: none"> • Implement Corporate Communications Strategy
<ul style="list-style-type: none"> • Commercial development applications in progress or pending: 	<ul style="list-style-type: none"> • Facilitate commercial and industrial development proposals: 	<ul style="list-style-type: none"> • Facilitate commercial and industrial development proposals
<p>Commercial or industrial development permits approved: Victoria Square, K's Amazon, etc.</p>	<p>Focus on Airport lands development plan</p>	
<p>Strong sales of City owned industrial land</p>		

Promote a climate conducive to enhanced opportunity

Objectives	2006 Measures	2006 Achievements	2007 Measures
Reinforce the City's position as a regional service centre (cont'd)	<ul style="list-style-type: none"> • Theatre Road / 22nd closure complete to facilitate Home Depot • College expansion initiated 	<ul style="list-style-type: none"> • Theatre Road / 22nd complete • College expansion ongoing • Hospital expansion ongoing 	<ul style="list-style-type: none"> • College expansion ongoing • Hospital expansion ongoing
	<ul style="list-style-type: none"> • Subdivision of large City owned industrial parcels 	<ul style="list-style-type: none"> • Completed and sales strong 	
Initiate development of Recreation Centre business plan	<ul style="list-style-type: none"> • Complete Termination Agreement and assume control of Rec Plex 	<ul style="list-style-type: none"> • Terminal Agreement concluded – March 2007 	<ul style="list-style-type: none"> • Complete and implement Recreation Centre business plan to include: <ul style="list-style-type: none"> - Quality service plan - Comprehensive maintenance plan - Retain and attract tenants and partnerships associated with complementary services; seek partnership with Key City Theatre - Develop and implement marketing strategy for major events - Improve floral areas - Negotiate Operating Agreement with Curling Club
Foster cooperative partnerships with other government agencies and organizations to promote development within the City	<ul style="list-style-type: none"> • Support and partner to Regional Economic Development Alliance 		<ul style="list-style-type: none"> • Support and partner to Regional Economic Development Alliance
	<ul style="list-style-type: none"> • Support to Southern Interior Development Initiative 		<ul style="list-style-type: none"> • Support to Southern Interior Development Initiative
Develop mid-range (to 2020) planning and development framework	<ul style="list-style-type: none"> • Complete Corporate 3 year business plan • Expand key contacts list and develop contacts at both the political and senior government officials level 	<ul style="list-style-type: none"> • Complete • Ongoing (re: boundary expansion), Treaty negotiations, MLA 	<ul style="list-style-type: none"> • Complete rolling Corporate 3 year business plan • Northern boundary expansion successfully completed



for economic, social and cultural development (cont'd)

2007 Achievements	2008 Measures	2009 Measures
<ul style="list-style-type: none"> • Approaching completion • Approaching completion 	<ul style="list-style-type: none"> • Complete sales of parcels • Pursue relaxation of existing agreements terms limiting economic development on Airport lands • Initiate acquisition negotiations of future commercial/light industrial lands adjacent to the Airport • Investigate and support capture, creation, servicing and development of private lands for light industrial purposes 	 <ul style="list-style-type: none"> • Investigate and support capture, creation, servicing and development of private lands for light industrial purposes
<ul style="list-style-type: none"> • Ongoing 		
<ul style="list-style-type: none"> • To be completed by September 2008 	<ul style="list-style-type: none"> • 2 renewal contracts for 2008 including Kootenay Ice 	<ul style="list-style-type: none"> • One renewal contract
<ul style="list-style-type: none"> • Negotiating 3 contracts 	<ul style="list-style-type: none"> • Implement new ticketing system 	
<ul style="list-style-type: none"> • Shift to 2008 	<ul style="list-style-type: none"> • Recruit Leisure Development Manager 	
<ul style="list-style-type: none"> • Initiated summer, 2007 - finish in 2008 	<ul style="list-style-type: none"> • Develop marketing strategy • Remove retaining wall and re-landscape area 	<ul style="list-style-type: none"> • Implement marketing strategy • Continue garden upgrades
<ul style="list-style-type: none"> • Negotiations have been ongoing through 2007 	<ul style="list-style-type: none"> • Conclude negotiations for minimum 2 Year operating agreement • Relate Life Cycle plan to Capital Asset plan 	<ul style="list-style-type: none"> • Implement operating Agreement
<ul style="list-style-type: none"> • Kootenay Rockies Regional Economic Alliance now registered, Initial Board established (primarily local small business entrepreneurs), business plan in place, Executive Director in place • Provided Support 	<ul style="list-style-type: none"> • Support and partner with Kootenay Rockies Regional Economic Alliance 	<ul style="list-style-type: none"> • Continue to support KRREA
	<ul style="list-style-type: none"> • Develop Sister City initiative and/or API 	
<ul style="list-style-type: none"> • Complete 	<ul style="list-style-type: none"> • Complete on-going Corporate 3 year business plan 	<ul style="list-style-type: none"> • Complete on-going Corporate 3 year business plan
<ul style="list-style-type: none"> • Northern boundary expansion approved by Province in October 2007 		
<ul style="list-style-type: none"> • Eastern Boundary extension application initiated 	<ul style="list-style-type: none"> • Eastern boundary extension Application submitted to Province • Pending approval of eastern boundary extension, facilitate planning and development approval processes 	<ul style="list-style-type: none"> • Ongoing

Promote a climate conducive to enhanced opportunity

Objectives	2006 Measures	2006 Achievements	2007 Measures
Develop mid-range (to 2020) planning and development framework	<ul style="list-style-type: none"> • Complete Official Community Plan • Expand key contacts list and develop contacts at both the political and senior government officials level 	<ul style="list-style-type: none"> • Official Community Plan adopted in August • Periodic Council workshops to verify priorities • Five Year Financial Plan complete 	<ul style="list-style-type: none"> • Five Year Financial Plan
Organize community-wide celebrations and legacy projects.	<ul style="list-style-type: none"> • Completion of Moir Centennial Athletic Park 	<ul style="list-style-type: none"> • Operational September 2006 	<ul style="list-style-type: none"> • Continue to upgrade Moir Centennial Athletic Park working with Park users • Facilitate Canada Day Celebrations
'Skyline to Skyline' concept	<ul style="list-style-type: none"> • Explore creative approaches to annexation, continue to oppose fractionalization of rural lands • Initiate review of growth options for boundary expansion 	<ul style="list-style-type: none"> • Work with Ministry on desirable tax scenarios for newly acquired lands • Focus on support to northern boundary extension and eastern development potential 	<ul style="list-style-type: none"> • Long term growth management study • Complete northern boundary expansion • Support development plan for eastern boundary expansion • Pursue management control of watershed
New Development	<ul style="list-style-type: none"> • Facilitate responsible development of new, mixed residential areas 		<ul style="list-style-type: none"> • Facilitate responsible development of new, mixed residential areas • OCP amendment for Havaday project "Wildstone" approved

Provide a safe and healthy community

Develop partnerships within the community to identify, develop and support related initiatives aimed at improving community and individual health and safety	<ul style="list-style-type: none"> • Actively partner with the West Nile Virus Mosquito Control Program • Family Resource Center support (UBCM funded through Better Babies) • Develop Active Communities Committee - register with Province 	<ul style="list-style-type: none"> • Anticipate \$45,000 total expenditure for Mosquito Control Program 	<ul style="list-style-type: none"> • Actively partner with the West Nile Virus Mosquito Control Program • Support implementation of Family Resource Center
		<ul style="list-style-type: none"> • Developed Active Communities Committee – registered with Province, pursuing funding through UBCM for coordinator. 	<ul style="list-style-type: none"> • Through Active Communities Committee develop plan to increase physical activity of community citizens

for economic, social and cultural development (cont'd)

2007 Achievements	2008 Measures	2009 Measures
<ul style="list-style-type: none"> • Periodic Council workshops to verify priorities • Complete 	<ul style="list-style-type: none"> • OCP amendments for environmental protection • Periodic Council workshops to verify priorities • Five Year Financial Plan • Initiate process to re-establish harmonious working relationships with regulatory agencies 	<ul style="list-style-type: none"> • OCP amendments for Northern and Eastern Boundary Extension • Periodic Council workshops to verify priorities • Five Year Financial Plan • Build harmonious, professional working relationships with regulatory agencies
<ul style="list-style-type: none"> • Majority of work completed, working with community to host events at Moir Park. • Complete • Financial contribution to Arches project • Spirit Square initiative 	<ul style="list-style-type: none"> • Car show and outdoor movie planned for July • Facilitate Canada day Event • Soccer camp (international coaches) • Support to Arches project • Complete design, construction spirit square 	<ul style="list-style-type: none"> • Facilitate Canada Day Event
<ul style="list-style-type: none"> • Northern Boundary extension approved by Province • Application made to Province for Eastern boundary extension January 2008 • Ongoing (periodic) discussions with MLA • Initiated expansion process for spray irrigation fields with intent to request relocation of AMU's from watershed to new pasture • Re-zoning approvals for numerous proposed developments • Zoning for Stage 1 of Wildstone (Havaday) approved 	<ul style="list-style-type: none"> • Ongoing • Planning initiated for OCP amendment for future land use in northern expansion area • Decision by Province regarding Eastern boundary extension • Continue expansion initiatives (F-3), Field L) • Facilitate responsible development of mixed residential areas • DPs for Stage 1 Wildstone • Update Subdivision Control Bylaw • OCP amendment for Shadow Mountain • Complete update to Road Network Plan 	<ul style="list-style-type: none"> • Planning for mid to long term growth and development • Develop Field L • Zoning for Stage 2 Wildstone • Zoning initial Stages – Shadow Mountain


for both citizens and visitors

<ul style="list-style-type: none"> • Mosquito Control Program funded and implemented 	<ul style="list-style-type: none"> • Mosquito Control Program 	<ul style="list-style-type: none"> • Mosquito Control Program
<ul style="list-style-type: none"> • Complete, agreement executed for lease of Balment Centre 		
<ul style="list-style-type: none"> • A survey of resident's activity level completed in 2007, Steps Out program implemented 	<ul style="list-style-type: none"> • Pre-School Teddy Bear picnic • Partner with Heart & Stroke to promote active and healthy community 	<ul style="list-style-type: none"> • Teddy Bear Picnic • Walk for Health Day


Provide a safe and healthy community

Objectives	2006 Measures	2006 Achievements	2007 Measures
Ensure adequate Police resources	<ul style="list-style-type: none"> • Develop Council endorsed 2006/2007 policing objectives • Initiate quarterly activity reports – RCMP Detachment • Maintain contract with Government of Canada for 24 officers 	<ul style="list-style-type: none"> • General objectives complete • Periodic reports to Council (open meeting) completed • Done 	<ul style="list-style-type: none"> • Maintain contract with Government of Canada for 24 officers • Increase Municipal Employee staff by 0.5 • Proposed False Alarm Bylaw under consideration by Council
Ensure adequate Fire resources	<ul style="list-style-type: none"> • Continue Fire monthly call volume reporting • Liaise with IHA in development of pandemic response plan (IHA lead role) 	<ul style="list-style-type: none"> • Monthly call volume reported • Ongoing IHA initiative, anticipate plan completion 2008 	<ul style="list-style-type: none"> • Continue monthly call volume reporting • Liaise with IHA in development of pandemic response plan (IHA lead role), ongoing IHA initiative, anticipate plan completion 2008 • Mutual Aid agreements negotiated and implemented <ul style="list-style-type: none"> • Airport (YVR) • Fort Steele • Kimberley (update) • Review/update RDEK Fire Service agreement
Ensure public safety in the design and maintenance of public places and assets	<ul style="list-style-type: none"> • Work with Communities in Bloom to plan and promote Trees for Life 	<ul style="list-style-type: none"> • Nine trees planted to September 2006 (first year) 	<ul style="list-style-type: none"> • Continue to work with Communities in Bloom to plan and promote Trees for Life
			<ul style="list-style-type: none"> • Implement Council approved recommendations of Traffic Safety Committee
	<ul style="list-style-type: none"> • Construction of parking lot, designs to be tendered in April 2006 and completed by August 2006 	<ul style="list-style-type: none"> • Completed 8th Avenue lot, September 2006 (budget limitation) 	<ul style="list-style-type: none"> • Complete 9th Avenue and McKinnon parking lots • Possible addition of Library parking lot
	<ul style="list-style-type: none"> • Enhance lighting in downtown parking areas 	<ul style="list-style-type: none"> • 8th Avenue lot complete 	
	<ul style="list-style-type: none"> • Maintain clear sight lines (roads, alleys, sidewalks, pathways) 	<ul style="list-style-type: none"> • Ongoing operation initiative 	<ul style="list-style-type: none"> • Maintain clear sight lines (roads, alleys, sidewalks, pathways)
	<ul style="list-style-type: none"> • Upgrade SCADA system 	<ul style="list-style-type: none"> • 2006 planned upgrade completed in December 	<ul style="list-style-type: none"> • Continue upgrade
	<ul style="list-style-type: none"> • Implement well head protection plan and continue with all monitoring required by operating certificate 	<ul style="list-style-type: none"> • Anticipate completion late 2006 • Monitoring ongoing according to operating certificate 	<ul style="list-style-type: none"> • Ongoing monitoring
			<ul style="list-style-type: none"> • Complete and implement comprehensive public safety information programs (i.e. stream flow, school zones)

for both citizens and visitors (cont'd)

2007 Achievements	2008 Measures	2009 Measures
<ul style="list-style-type: none"> • Completed • Completed • Submitted to Council November 2007 	<ul style="list-style-type: none"> • Increase to 25 officers, increase Municipal Employee staff by one (PC Support Specialist) • Increase Municipal Employee staff by 0.5 • Adoption of False Alarm Bylaw 	<ul style="list-style-type: none"> • Implement
<ul style="list-style-type: none"> • Ongoing • Ongoing, mock exercise completed, debriefs completed • Awaiting Response • Draft agreement completed • Currently at draft stage of agreement • Expires December, 2007 • Ongoing, including hanging baskets, support planning/design for S-bend, prep beds at Ashley Furniture location 	<ul style="list-style-type: none"> • Monthly call volume reporting • Complete and implement multi-year strategic plan • Complete 5 year staffing plan • Complete review / update RDEK Fire Service Agreement • Ongoing including hanging baskets, support construction of Centennial II, Trees for Life (Maple Lane), Entrance garden Moir Park, Cranbrook Street Projects 	<ul style="list-style-type: none"> • Monthly call volume reporting 
<ul style="list-style-type: none"> • Ongoing, advance signal at 6th outstanding 	<ul style="list-style-type: none"> • Complete advance signal @ 6th 	
<ul style="list-style-type: none"> • Detailed designs 9th Ave and McKinnon complete • Library Parking Lot complete 	<ul style="list-style-type: none"> • Redevelop McKinnon parking lot subject to acceptable bid price 	
<ul style="list-style-type: none"> • Substantial work completed, numerous areas 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> • Review standards for sight lines
<ul style="list-style-type: none"> • 20% complete • Complete • Complete as required 	<ul style="list-style-type: none"> • Continue installations and upgrade • Ongoing monitoring 	<ul style="list-style-type: none"> • Continue upgrade • Ongoing monitoring
<ul style="list-style-type: none"> • Continued through 2007 including ice and creek safety 	<ul style="list-style-type: none"> • Continue 	<ul style="list-style-type: none"> • Continue
	<ul style="list-style-type: none"> • Work with Early Childhood Development Committee in planning and upgrading ACT Playground • Demolish former library 	

Provide a safe and healthy community

Objectives	2006 Measures	2006 Achievements	2007 Measures
Encourage initiatives that respect the natural environment and contribute to keeping it "clean and green"			<ul style="list-style-type: none"> • Elizabeth Lake: <ul style="list-style-type: none"> -Continue to work with Rocky Mountain Naturalists in restoration of ecosystem; educate public and encourage stewardship of local landowners -Upgrade walking trails
			• Support Communities in Bloom projects
			• Pitch-in week continued as City program
			• Contract development of Urban Forest Management Plan
Address fire safety issues relating to the forest and community interface	• Continue work with forestry company to remove insect infested timber and control insect infestation in forested areas of the watershed	• Ongoing	• Reassess logging procedures in watershed to contain costs/improve practices
	• Create wildfire hazard development permit area	• Complete (OCP)	Develop on-going maintenance plan for interface properties
		• Complete	• Wildlife Hazard Development Permits
Work with key community organizations including the College of the Rockies, Downtown Business Association, the School District, and the Chamber of Commerce to identify common goals and strategic opportunities for combining efforts to achieve related community objectives			<ul style="list-style-type: none"> • Liaise with local forest companies, UBCM, property owners, and Province to pursue interface fuel reduction on lands adjacent to City limits • Include \$5,000 commitment to track maintenance
	• Work with art community in developing Phase I – Arts Now Cultural Scan	• Being reviewed	• Work with arts community to complete – Arts Now – Scan
	• Complete and initiate implementation of growth plan for the College Fire Training program	• Stabilizing higher return programs with COTR	• Continue liaison capacity with COTR
	• Build Inter-Administration local network	<ul style="list-style-type: none"> • Kimberley/Cranbrook periodic meetings • LGMA (Rocky Mountain) • Support regional CAO network 	• Explore expansion of training opportunities
			• Support regional CAO network


for both citizens and visitors (cont'd)

2007 Achievements	2008 Measures	2009 Measures
• Completed around the lake	• Walking trail from former ball diamonds to information booth (Elizabeth Lake)	
	• Idlewild Park – upgrade walking trail, remove unsafe structures • Improve/secure entrances • Partner with Maverick Riding Club	• Continue work with Riding Club to improve riding club
• Ongoing, 4 projects planned for fall '07 start; focus on Ministry of Transport lands at S-bend (Centennial Garden Phase II)	• Cranbrook Dodge boulevard improvements • Tamarack Boulevard improvements • Ashley Boulevard extension • Moir Park Entrance • Phase II Centennial Gardens	
• Pitch-in week continued as City program	• Pitch-in week continued as City program	• Pitch-in week continued as City program
• Communities in Bloom to manage (initiated late 2007)	• Complete Urban Forest Management Plan	
• Completed Phase 1 ops project -Submitted to UBCM for funding	• OCP environmental policy initiatives • Continue working with Forestry companies and UBCM to expand Fuel Reduction strategies in watershed • NRCan grant application	• Implement as approved by Council • Ongoing (subject to timber market values, UBCM funding)
• Considerable work completed (8 th , Moir, Airport, etc)	• Ongoing	• Ongoing
• Wildlife Hazard Development Permits issued as applicable	• Wildlife Hazard Development Permits issued as applicable • Review/amend permit strategy	• Wildlife Hazard Development Permits issued as applicable
• Ongoing	• Ongoing	• Ongoing
• Completed	• Explore sprinkler protection partnership with RDEK and St. Mary's Band • Ongoing (\$5,000 commitment)	• Ongoing (\$5,000 commitment)
• Application complete and submitted	• Work with arts community in developing Phase 2 – Arts Now – Cultural Plan	
• Arts now - Scan completed		
• Ongoing	• Redefine partnership roles with COTR • Explore transfer of the employment of the Instructors for the Fire Services Training Program (FSTP) to the College of the Rockies	• Relocate the FSTP site from #2 Hall to the Gold Creek Campus.
• Attend AKBLG, UBCM	• Host RMLGMA spring 2008 • Attend AKBLG, UBCM	• Host AKBLG, attend UBCM
• Ongoing though minimal	• Attend Columbia Valley Public Works Group	

Strengthen the City's

Objectives	2006 Measures	2006 Achievements	2007 Measures
Work with key community organizations and user groups including the College of the Rockies, Downtown Business Association, the School District, and the Chamber of Commerce to identify common goals and strategic opportunities for combining efforts to achieve related community objectives (cont'd)			<ul style="list-style-type: none"> • Work with Downtown Business Association on implementing Cranbrook Arches at the 9th Ave entrance to Downtown
			<ul style="list-style-type: none"> • Work with School District to standardize Fee Schedule with District and City facilities
	<ul style="list-style-type: none"> • Partner with Kimberley in developing 2008 BC Winter Games Committee – President and Directors 	<ul style="list-style-type: none"> • Complete Committee appointments 	<ul style="list-style-type: none"> • Work with 2008 BC Winter Games Committee in the planning of the Joint BC Winter Games
	<ul style="list-style-type: none"> • Focus group formed in early 2006 including representatives of the Chamber of Commerce, Downtown Business Association and College of the Rockies to provide for direct input in the completion of the Official Community Plan 	<ul style="list-style-type: none"> • Done • Supported development of 2006/2007 Chamber of Commerce Business Plan 	<ul style="list-style-type: none"> • Continue support through CAO active membership to Board of Directors

Provide long-range and short-term infrastructure plans to respond to growth as

Prepare a long-range financial policy to provide sustainable funding to meet future infrastructure requirements	<ul style="list-style-type: none"> • Review infrastructure funding including senior government funding 	<ul style="list-style-type: none"> • Incomplete 	<ul style="list-style-type: none"> • Review infrastructure funding including senior government funding
Prepare an asset management plan including local infrastructure and a strategy for implementation			<ul style="list-style-type: none"> • Redevelop the RDEK Fire protection contract to better capture the costs of providing service • Continued refinement of Asset Management Plan to include peripheral infrastructure (i.e. reservoirs, lagoons, treatment facilities)

community partnerships

2007 Achievements

- Support to project ongoing

2008 Measures

- Support to DBA Arches Project

2009 Measures

- Support to DBA Arches Project



- Proposal submitted to School District
- No response received from School District

- Support planning for 2008 BC Winter Games

- 2008 BC Winter Games successfully completed

- CAO attends Chamber Director meetings and regular members meetings
- CAO attends DBA meetings on request

- Chamber of Commerce involvement in boundary extension considerations
- CAO attends Chamber Director Meetings

- CAO attends Chamber Director Meetings

well as to meet the current needs of the City residents and businesses

- Growth Management Study Terms of Reference approved

- GMS initiated

- Complete GMS
- Complete DCC review and implement

- Completed

- Draft policy for accounting for tangible capital assets

- Refine/complete policy for accounting for tangible capital assets

- Maintain tangible capital asset registry

- Compile inventory list of assets acquired between 1987 and 2006

- Acquire asset management software module

- Initiate Comprehensive Geographic Information System

- Continue implementing Comprehensive Geographic Information System

Provide long-range and short-term infrastructure plans to respond to growth as

Objectives	2006 Measures	2006 Achievements	2007 Measures
Develop a preventative water and sewer maintenance program	<ul style="list-style-type: none"> • Implement recommendations of Effluent Management Study • Continue potable water system improvement (and pressure reducing station) 	<ul style="list-style-type: none"> • Implemented, did not achieve expected results • Industrial Park loop line complete 	<ul style="list-style-type: none"> • Implement recommendations of Effluent Management Study • Two PR stations
Address utility capital projects based upon expected growth and economic, environmental, and health factors	<ul style="list-style-type: none"> • Determination of water and sewer supply needs for future growth 	<ul style="list-style-type: none"> • Incomplete 	<ul style="list-style-type: none"> • Determination of water and sewer supply needs for future growth • 5, 10, 15, 20 year horizons to be developed

Promote financial planning and management policies that

Tangible
Capital Asset
Reporting
(Section PS
3150)

Segment
Reporting
(Section PS
2700)

Full
Convergence
with Int'l
Financial
Reporting
Standards
(IFRS)

Review and
adjust City fees
and charges

- Adjustment of Fees and Charges for Leisure Services pending further review after City takeover of Rec Plex

- Bylaw Enforcement and Licensing fees and charges to be reviewed

- Draft submitted to Council, action pending Rec Plex takeover

- Business Licensing proposal to Council year-end 2006




well as to meet the current needs of the City residents and businesses (cont'd)

2007 Achievements	2008 Measures	2009 Measures
<ul style="list-style-type: none"> Budget for lagoon relocation, Spray Irrigation expansion, increased storage may be required 	<ul style="list-style-type: none"> F3 expansion, Pivot replacement Complete relocation study Develop Emergency Operating Procedures (Spray Irrigation Site) Application for Free Crown Grant Screener/Grinder installation Initiate MSR registration process 	<ul style="list-style-type: none"> Initiate cost analysis and relocation strategy
<ul style="list-style-type: none"> Long range plans to balance systems 		<ul style="list-style-type: none"> Initiate Environmental Assessments for MSR growth needs
<ul style="list-style-type: none"> Growth Management Study terms of reference developed, RFP award 	<ul style="list-style-type: none"> GMS initiated 	<ul style="list-style-type: none"> GMS complete


protect the City's financial health for the City's taxpayers

<ul style="list-style-type: none"> Disclose information on tangible capital assets (TCA) for each major class of TCA 	<ul style="list-style-type: none"> Develop policy for accounting for TCAs and develop a TCA inventory register 	<ul style="list-style-type: none"> Recognize all TCAs on the statement of financial position and recognize the related amortization as an expense on the statement of operations
	<ul style="list-style-type: none"> Define reportable segments (ie: distinguishable activity or group of activities) Disclose segment information in consolidated financial statements (notes and/or schedules) 	<ul style="list-style-type: none"> Obtain training and knowledge of IFRS Compare current accounting policies to IFRS and development a transition plan
<ul style="list-style-type: none"> Simplified business licensing fee structure and system implemented Simplify business licensing 	<ul style="list-style-type: none"> Adjust Fees & Charges for Leisure Services Develop new Bylaw for Leisure Services Fees & Charges Review and update Building Permit fees 	

Promote financial planning and management policies that

Objectives	2006 Measures	2006 Achievements	2007 Measures
Develop and implement a targeted long-term Human Resources plan			
Continuous updating of Information Technology	<ul style="list-style-type: none"> • Update computer communications links between City buildings • Replace 50% of the City's workstations 	<ul style="list-style-type: none"> • Reviewed numerous options including third party providers, no satisfactory option to date • Lease expired, retained workstations, acquired 3 servers 	<ul style="list-style-type: none"> • Replacement of telephone system • Replace the remaining workstations • Supply emergency power from RCMP generator to City's servers • Implement File Management Plan including records retention and disposal system
			


Focus efforts on developing and maintaining

Work towards relocating library services to a facility that better meets current and future community needs	<ul style="list-style-type: none"> • Complete contract for library schematic design 	<ul style="list-style-type: none"> • Completed 	<ul style="list-style-type: none"> • Complete construction of Library and relocate library operations
Seek opportunities to involve the RDEK in providing local and regional leisure and recreation services in Cranbrook	<ul style="list-style-type: none"> • Review potential participation of RDEK in major facilities funding 	<ul style="list-style-type: none"> • No progress to date 	
Work toward the completion of the Moir Centennial Athletic Park	<ul style="list-style-type: none"> • Complete Moir Athletic Park with funds remaining from 2005; work with user groups to enhance the park 	<ul style="list-style-type: none"> • Operational September 2006 	<ul style="list-style-type: none"> • Work with user groups of the Park and community to focus tournaments and events to Moir Park • Grand Opening Summer 2007
Continue development & improvement of the Cycle/ Walk Trail System			


protect the City's financial health for the City's taxpayers (cont'd)

2007 Achievements	2008 Measures	2009 Measures
<ul style="list-style-type: none"> • Draft 5 year Human Resources plan 	<ul style="list-style-type: none"> • Preparation and presentation of 2008-2012 Human Resources plan • Begin Performance Management Program development 	<ul style="list-style-type: none"> • Continued development of personnel plan requirements • City wide implementation of Performance Management Program
<ul style="list-style-type: none"> • Telephone system adequate. Possible replacement in 2010 • 60% replaced in 2007, remaining 40% 2008 • Awaiting final assessment by City's Electricians • Existing data being converted, project ongoing. 	<ul style="list-style-type: none"> • Replace remaining 40% of PC's • Complete conversion of DOS based programs and facilitate Records Management system • Replace Facility Booking server at Recplex • Initiate research on new website • Recplex Ticketing System June, 2008 	<ul style="list-style-type: none"> • Initiate research on telephone system replacement • Replace Main Login and municipal accounting (MAIS) servers • Work with fire department on new dispatch center

key community facilities / services

<ul style="list-style-type: none"> • Complete construction, relocation, budget, MTS management agreement 	<ul style="list-style-type: none"> • Landscaping plan complete and initiated 	
<ul style="list-style-type: none"> • No progress to date 	<ul style="list-style-type: none"> • Continue negotiations with Area C Director 	
<ul style="list-style-type: none"> • Ongoing • Complete 	<ul style="list-style-type: none"> • Initiate plan for further development (Moir Park) • Install parking lot lights and flag pole 	
	<ul style="list-style-type: none"> • Victoria Station link to be completed (by developer) • OCP provisions to capture lands during subdivision for future trail links 	

Focus efforts on developing and maintaining

Objective	2006 Measures	2006 Achievements	2007 Measures
Continue development & improvement of the Cycle/Walk Trail System (cont'd)	<ul style="list-style-type: none"> Contract Consultant to review and update Cycle/Walk Trail Master Plan 	<ul style="list-style-type: none"> Complete November 2006 	<ul style="list-style-type: none"> Develop a section of the new Cycle/Walk Trail
Increase the use of public transit	<ul style="list-style-type: none"> Continue to monitor and adjust routes and schedules to maximize use 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Continue to monitor and adjust routes and schedules to maximize use
	<ul style="list-style-type: none"> Continue negotiations for U-Pass implementation; College student referendum planned for 2006 to implement U-Pass. Implement U-Pass 	<ul style="list-style-type: none"> College student referendum passed Done 	
	<ul style="list-style-type: none"> Test alternate bus designs 	<ul style="list-style-type: none"> Ongoing Councillor site/manufacture review organized 	<ul style="list-style-type: none"> Advocate for appropriate fleet replacement
Protect City's watershed			<ul style="list-style-type: none"> Extend/improve watershed fencing Review fine schedule for trespass in City watershed Pursue watershed ownership/direct management responsibility Pursue elimination of AMU's in watershed Secure diversion structure Continue close work with Galloway re: bug kill removal


Promote City

Set an example by directing a portion of capital expenditures toward the improvement of visual qualities of public property	<ul style="list-style-type: none"> Re-skin two "Welcome to Cranbrook" freestanding signs in Regional District on Highway 95/93/3 on approaches from Fernie and Wasa 	<ul style="list-style-type: none"> Incomplete 	<ul style="list-style-type: none"> Introduce concept of capital budget percentage (e.g. 0.5%) dedicated to community visual qualities (entrance signs, parks and public spaces, flower beds, urban reforestation)
Increase enforcement of City bylaws concerning the maintenance & appearance of land & buildings	<ul style="list-style-type: none"> Initiate public information program for City bylaws (property cleanup, dog licensing/control, school zones) 	<ul style="list-style-type: none"> Incomplete 	<ul style="list-style-type: none"> Complete re-skin of two "Welcome to Cranbrook" signs Initiate public information program for City bylaws (property cleanup, dog licensing/control, school zones) Increase publication of targeted bylaw enforcement issues (eg. unlicensed vehicles in the City, responsible pet care)

key community facilities/services (cont'd)

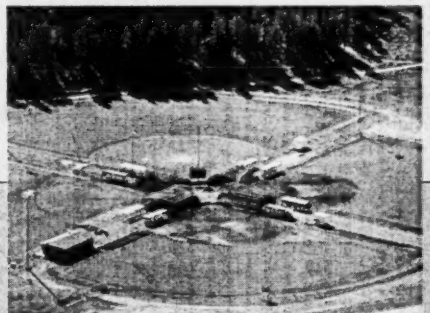

2007 Achievements	2008 Measures	2009 Measures
<ul style="list-style-type: none"> • Focus changed to work on "Rails to Trails" between Cranbrook & Kimberley. 	<ul style="list-style-type: none"> • Complete Environmental Assessment Study (Rails to Trails) • Continue negotiations with CP to remove rock/ties/ballast • Initiate construction of Rails to Trails 	<ul style="list-style-type: none"> • Complete construction of Rails to Trails
<ul style="list-style-type: none"> • Schedule and route adjustments implemented 	<ul style="list-style-type: none"> • Ongoing 	
	<ul style="list-style-type: none"> • Review of UPASS with COTR and Students Association – UPASS fee increase 	
<ul style="list-style-type: none"> • BC Transit indicates fleet replacement in progress 	<ul style="list-style-type: none"> • BC Transit indicates fleet replacement in progress • Design and construct new Downtown Transit Exchange 	
<ul style="list-style-type: none"> • Regular monitoring and repair through 2007 • No progress • Periodic meetings with MLA and Ministries • Initiated expansion of spray irrigation fields • No Progress • Maintain discussions with Galloway on planned activities 	<ul style="list-style-type: none"> • Regular monitoring and fence repairs through 2008 • Ongoing • Ongoing • Continue to pursue implementation • Continue work with Galloway on select bug kill removal 	<ul style="list-style-type: none"> • Regular monitoring and fence repairs through 2009 • Ongoing • Ongoing • Ongoing

beautification

<ul style="list-style-type: none"> • Incomplete 		
<ul style="list-style-type: none"> • Complete 		
<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> • Ongoing
<ul style="list-style-type: none"> • Notices published in Townsman, target enforcement on select issues (for sale vehicles, unsightly properties, etc) 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> • Ongoing

Objectives	2006 Measures	2006 Achievements	2007 Measures
Review City owned land and facilities and identify ways to upgrade appearance	<ul style="list-style-type: none"> • Upgrade floral displays on public property 	<ul style="list-style-type: none"> • City Hall, north entrance, assistance with Centennial gardens, expand hanging basket program 	
Review City bylaws in the interest of improving the quality of the built and natural environment	<ul style="list-style-type: none"> • Adopt Official Community Plan 	<ul style="list-style-type: none"> • Complete 	<ul style="list-style-type: none"> • Initiate review of Zoning Bylaw
Encourage volunteer efforts to improve the appearance of private property	<ul style="list-style-type: none"> • Review benefits of requirement for in-ground irrigation systems for new home construction • Continue to partner with Winter Lights and Communities in Bloom 	<ul style="list-style-type: none"> • Incomplete • Complete Communities in Bloom, Winter Lights volunteer committee deferred 	<ul style="list-style-type: none"> • Review benefits of requirement for in-ground irrigation systems for new home construction • Continue to support community festivals by providing funding for Canada Day, Sam Steele Days, Children's Festival, etc.
	<ul style="list-style-type: none"> • Promote annual clean-up day and beautification of private areas 	<ul style="list-style-type: none"> • Complete 	<ul style="list-style-type: none"> • Promote annual clean-up day and beautification of private areas • Continue tree planting program at Moir Park, plan and implement floral display at entrance to Moir Park

beautification (cont'd)

2007 Achievements	2008 Measures	2009 Measures
	<ul style="list-style-type: none"> • Review feasibility of Kinsman Quad Ball Fields and re-locate to Moir Centennial Park • Complete Moir Centennial Park design • Spirit Square <ul style="list-style-type: none"> -Rotary Park -Clock Tower -10th Avenue 	
<ul style="list-style-type: none"> • Ongoing – housekeeping amendments in preparation • Overall City bylaw review project initiated 	<ul style="list-style-type: none"> • Ongoing review of Zoning Bylaw • Amend or replace identified priority bylaws • OCP environmental policy initiatives • Landscape security provisions 	
<ul style="list-style-type: none"> • Incomplete 		
<ul style="list-style-type: none"> • Canada Day complete – co-hosted with Fort Steele, Casino of the Rockies/St. Eugene • Sam Steele – support completed • Children's Festival – support completed • Relay for Life – support Completed • Completed – BC Pitch-In week 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing • Ongoing • Ongoing 	
<ul style="list-style-type: none"> • Parking lot trees completed • Floral display to be completed in 2008 	<ul style="list-style-type: none"> • Trees for Life Program continuing for City parks (Maple Lane) • Complete floral display 	

Statement of 2007 Property Tax Exemptions

In accordance with Section 98(2)(b) of the *Community Charter*, the following properties in the City of Cranbrook were provided permissive property tax exemptions by City Council in 2007.

<u>Roll Number</u>	<u>Address</u>	<u>Property Tax Exemption Recipient</u>	<u>Value of Municipal Property Taxes Exempted</u>
259,000	219 – 15 th Avenue South	J. Fred Scott Villa	\$ 306
889,000	125 – 10 th Avenue South (90%)	Summit Community Services Society	8,764
1047,000	32 – 13 th Avenue South	Cranbrook Women's Resource Society	1,858
1118,000	39 – 13 th Avenue South	Canadian Mental Health Association	5,352
1121,000	45 – 13 th Avenue South	Canadian Mental Health Association	871
1595,001	20 – 14 th Avenue North	Key City Theatre	34,347
4673,500	19 to 27 – 15 th Avenue South	Cranbrook Society for Community Living	27,893
4675,000	1500 – 1 st Street South (67%)	Cranbrook Society for Community Living	1,437
8850,000	Kootenay Street North	Cranbrook Alliance Church	1,768
9903,000	2300 – 2 nd Street North	Mountain View Village	9,715
10101,000	1 Van Horne Street North	Canadian Museum of Rail Travel	2,501
18008,000	Van Horne Street South	Canadian Museum of Rail Travel	7,270
18010,000	1 Van Horne Street North	Canadian Museum of Rail Travel	1,467
18010,500	CP R/W Lease	Canadian Museum of Rail Travel	748
539,000	201 – 7 th Avenue South	Ruthenian Greek Church	260
1040,000	38 to 42 – 13 th Avenue South	Synod of the Diocese of Kootenay	1,218
1102,000	2 – 12 th Avenue South	Trustees United Church	400
1259,000	43 to 45 – 10 th Avenue South	Roman Catholic Bishop of Nelson	348
1822,000	328 to 334 – 14 th Avenue South	Convention of Baptist Churches, BC	1,425
1972,000	300 – 10 th Avenue South	Foursquare Gospel Church of Canada	752
2120,000	300 – 6 th Avenue South	BC Corp of Seventh Day Adventist Church	985
2842,000	922 – 11 th Street South	Lutheran Church Missouri Synod, Mount Zion Lutheran Church	1,507
2967,000	501 – 11 th Avenue South	Pentecostal Assemblies of Canada	784
4525,000	2100 – 3 rd Street South	Trustees of the Knox Church	902
4541,000	2200 – 3 rd Street South	Mount Baker Congregation of Jehovah's Witnesses	828
4800,030	2324 – 2 nd Street South	Cranbrook Christian Center Society	2,107
5829,000	533 Slater Road NW	Governing Council Salvation Army	550
8809,000	2001 to 2008 21 st Avenue North	Trust Cranbrook Fellow Baptist Church	1,011
9510,000	1200 Kootenay Street North	Christian & Missionary Alliance, Canadian Pacific District	1,284
9890,000	2210 – 2 nd Street North	President of Lethbridge Stake, LDS Church	1,189
10189,000	629 – 6 th Street NW	Gathering of Praise Fellowship	1,088
13016,001	1100 – 14 th Avenue South	Roman Catholic Bishop of Nelson	1,425
3640,000	1701 – 5 th Street South	Catholic Public Schools of Nelson	3,858

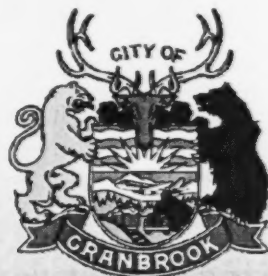
City of Cranbrook Mission Statement

The Council and Staff are committed to the continuing development of the City of Cranbrook as a successful and progressive community, and to preserving, and further enhancing the high quality of life enjoyed by the Citizens. Council will be responsive to concerns and provide an informed and committed leadership. A competent, skilled staff of high integrity will use available resources as efficiently as possible, providing high quality services to meet the needs and address the concerns of residents and employers. Council and Staff will work cooperatively with the Citizens of the City of Cranbrook, organizations within the community, other municipalities and other levels of government in order to achieve the maximum benefit for the community.

Notes

City of Cranbrook **2020 Vision Statement**

In the Year 2020, the dynamic City of Cranbrook proudly welcomes the world to Southeastern British Columbia, the Kootenay region and the Canadian Rockies. As the major transportation hub; national and international visitors travel to Cranbrook to access the region's world-class recreation facilities, utilize Southern British Columbia's finest travel and convention amenities, and play on the region's most outstanding tournament facilities. Investors and entrepreneurs have consolidated the City's financial, commercial and industrial services role. Residents enjoy an enviable lifestyle within a safe urban environment that provides a wealth of opportunity for individual wellness, education and prosperity. A rich cultural fabric complements a visually attractive urban form set in a spectacular mountain environment. Cranbrook has assumed a strong, progressive leadership role within British Columbia based on sound fiscal management, smart growth development, and wise asset reinvestment.



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